DomaCom

FRACTIONAL INVESTING

2020 Annual Report

DomaCom Limited and its Controlled Entities

ABN 69 604 384 885

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DOMACOM LIMITED
ABN 69 604 384 885

CHAIRMAN'S REPORT
30 JUNE 2020

Dear Shareholder

It has been an extraordinary year to say the least. Not only for the company, but for the country overall.

The second half has been subject to immense disruption but I would like to thank the management and staff at DomaCom for their outstanding efforts in being able to adapt to this disruption and continue to drive forward to realise the vision of this innovative and forward-thinking organisation.

During the 19-20 financial year, we finally realised our objective of bringing the Senior Equity Release product to a marketplace, that is in desperate need of a solution for the baby boomers moving into retirement with insufficient funds to last their ever-increasing life expectancy. This has taken many years of perseverance, resilience and, to use a former Prime Minister's words, John Howard, "stickability". Many people would have given up on this vision but our management and staff stayed the course and with our recent announcement, post the end of the financial year, regarding the ATO's confirmation that the Downsizer benefit can be used for partial sale of people's homes, it further enhances this extremely attractive option to give retired people dignity and a comfortable lifestyle without having to sell their entire home.

This was not the only client focused offering brought to market during the year. Arthur Naoumidis as CEO will cover in more detail some of the offerings that will make a big difference to many. Aspects such as the Rent to Own and Essential Worker affordable housing makes DomaCom a leader in technologically driven solutions to support many of those in need.

Additionally, with interest rates at an all-time low and unlikely to move for some time we are seeing a greater demand for both ends of the lending and borrowing spectrum looking for greater yield without moving substantially up the risk return frontier. Our mortgage sub funds create that opportunity.

We should not forget the basis that DomaCom was founded. It still is an important component of our offering to an ever-increasing sophisticated marketplace. Fractional property investing is as relevant today as it was when Arthur conceived the idea. Diversification is a known tool for reduction of risk and with the lumpiness of investment required by individual properties, our fractional property investing allows people to diversify across a range of locations and types of property particularly with SMSF's.

DomaCom has proved itself to be a versatile business. Our focus on property initially, with a revolutionary technology platform, arguably one of the best in the marketplace, has shown that it can adapt to fractionalising many different types of investments.

Opportunities that don't fit the current investment paradigms and platforms can often fit the flexibility of the DomaCom platform. For example, Islamic mortgages (which have specific compliance requirements), environmentally friendly solar and wind farms and primary production farms to name a few.

The future is exciting. The DomaCom product and service offering combines a real set of solutions for community-based demands as well as solutions for everyday people to minimise risk through appropriate diversification. Whilst it has been a difficult, and in many cases, challenging period for DomaCom, we believe we have our "ducks in a row" to capitalise on this unrealised potential.

It would be remiss of me not to once again thank our many shareholders who have stuck with the vision and held their belief in this innovative organisation. I would also like to personally thank the management team led by Arthur and Ross, our hard-working staff, our leading-edge technology team and of course the Board who on a continual basis strive to balance the vision and the governance of this important revolutionary organisation.

Grahame Evans
Chairman
27 August 2020

CEO'S REPORT
30 JUNE 2020

Dear Shareholder

Overview

Our environment has changed considerably this past year with the country being in the COVID-19 pandemic and DomaCom, like all companies, has had to adjust our operations and sales strategies to meet these challenges.

From an operational perspective, the company has invoked our Business Continuity Plan and has been operating on a fully remote basis since March 2020. Our business was well prepared for this transition as our platform is entirely hosted in the cloud.

The biggest impact to our business from the pandemic stems from the spike in unemployment which is expected to result in an increase in rental vacancies.

Our response has been to focus on products that we expect to perform well in this environment:

- Mortgage sub-funds

  With interest rates and dividends being at historical lows, we have increased our marketing focus to the mortgage syndication capability of our platform that will allow investors to access attractive interest rates. With rates of around 4% for residential backed loans and 8% for development loans, we are starting to see heightened interest from advisers.

  Additionally, our first pooled mortgage fund has now reached over $20 million and represents the largest single sub-fund on the platform and we now have our second pooled mortgage fund in the process of being launched.

- Rent to Own (RTO)

  With vacancy risk now looming as one of the biggest risks for residential property investors, our RTO product is an innovation that delivers a very attractive tenant incentive of equity in the property that they are renting.

  The product creates a tenant equity reserve holding 5% of the units in the sub-fund that owns the investment property and is used to allocate 1% per year to the tenant for 5 years. The objective is to make our properties more likely to be chosen when a tenant has several to choose from which should reduce the risk of vacancy.

- "Essential Worker" Affordable Housing

  It has been widely reported that there is a crisis in the availability of affordable housing in Australia, particularly in Melbourne and Sydney, and it is expected that the need for affordable housing will only increase as a result of this pandemic.

  In response to this large and growing market opportunity we have been working to bring a product to market that accesses low-cost government debt to deliver reduced rent for "essential workers". We have partnered with a leading tier 1 Community Housing Provider (CHP) and are working on launching a $25 million pilot later in 2020.

- Senior Equity Release (SER)

  The slashing of dividends and historically low interest rates have created a crisis for self-funded retirees in being able to live off the income generated by their superannuation investments and we have been working on how we can leverage our SER product to assist these retirees.

None of the government's COVID-19 initiatives such as Job Keeper, Job Seeker or Homebuilder have assisted this cohort. By leveraging our SER product retirees can increase their super by selling a fraction of their house and depositing the proceeds into their super.

The key to this has been obtaining confirmation from the Australian Tax Office (ATO) that a partial disposal of a property interest complies with the Downsizer legislation. This legislation has up until now required the retiree to sell their whole house but I am pleased to confirm that on Friday 14th of August 2020 the ATO provided DomaCom with an "Administrative Binding Agreement" confirming that a partial disposal does in fact comply with the Downsizer legislation.

This ATO confirmation now positions our SER product as a central method with which financial advisers can help retirees improve their retirement income whilst remaining in their home.

- Islamic Mortgage

  DomaCom has been working on a new investment option within our fund called "Equity Mortgage" which aims to deliver leveraged property ownership without using debt. We believe that this product meets Islamic compliance requirements that prohibit the paying or receiving of interest.

  We are not aware of any commercial product that can deliver an Islamic compliant mortgage product in Australia and we have been working with a large Islamic B2C provider to conform the compliance of this product to the estimated 700,000 people making up the Australian Islamic community.

  We are aiming to enable the Australian Islamic community to purchase homes to live in and end up owning the homes. This product is less sensitive to the investment outlook as people will be using this to purchase their family homes.

Outlook & Conclusion

Whilst FY2020 has seen the occurrence of a "1 in 100 year" market dislocation, we believe DomaCom is well positioned to continue to grow during this challenging period.

On the capital front, FY2020 has seen the company begin a recapitalisation process to give the company time to continue to develop existing products and find new products that will enable us to deliver the outcome all of our shareholders are seeking – improved long term outlook with better share price performance.

In FY2020 we welcomed HALO as a cornerstone investor and at the beginning of FY2021 we have been active in seeking additional capital and are working on transactions for the business that will improve our ongoing revenue and cashflow.

Arthur Naoumidis
Chief Executive Officer
27 August 2020

DIRECTORS' REPORT
30 JUNE 2020

Your directors present their report on DomaCom Limited (the "Company") and its Controlled Entities (the "Group") for the year ended 30 June 2020.

1. Directors

The names of the directors in office throughout the year and to the date of this financial report are Mr David H Archbold, Mr Graeme A Billings, Mr Peter C Church OAM, Mr Grahame D Evans, Mr Ross A Laidlaw and Mr Arthur Naoumidis. Mr George D Paxton and Mr Matthew Roberts were appointed as directors of DomaCom Limited on 27 September 2019 and continued to be directors at the date of this financial report. The name of the company secretary in office throughout the year and to the date of this financial report is Mr Philip J R Chard. Details of qualifications, experience and special responsibilities of the Directors are as follows:

Grahame D Evans – Chairman and Independent Non-Executive Chairman
Grahame has been extensively involved with the financial services industry for over 30 years. He has held a variety of board positions including Chairman of Australian, Canadian, Singaporean & Chinese investment & advisory businesses and also as a director of Malaysian and New Zealand companies. He is a regular speaker at conferences both in Australia and overseas and holds an MBA from the prestigious Australian Graduate School of Management, voted in the top 10 management schools in the Asian region. Grahame's executive roles have included CEO Investments for Tower Australia, Managing Director, AMP Consulting and Group Managing Director of Centrepoint Wealth. He is currently an executive director of listed Easton Investments Limited. Grahame has been a director of DomaCom Limited since 23 February 2015.

Arthur Naoumidis – Chief Executive Officer
After 20 years as an IT consultant, Arthur spent 5 years at JB Were and BNP Paribas building and operating investment administration systems and businesses. Using the combined technology and investment administration background, Arthur founded the now ASX Listed Praemium (ASX:PPS). Arthur grew Praemium into a business with 500 client firms (accountants, financial planners, stockbrokers, SMSF administrators and institutions) in Australia administering over $43 Billion as well as partnering with Blackrock Australia to launch Australia's first online separately managed account (SMA) platform. As a result of listing Praemium on the ASX, Arthur took the Praemium SMA concept to the UK and successfully launched the SMA platform business of Praemium UK.

Arthur is now taking some of the advanced equity concepts he pioneered in the equity markets during his Praemium days into a market that has been relatively untouched by technology and business process improvements – the property market. Arthur has been a director of DomaCom Limited since 23 February 2015.

David H Archbold – Independent Non-Executive Director
David has over 45 years' experience in the property industry in Australia. Prior to the establishment of International Property Group Pty Limited in 1991, David was Executive Director - International, for Colliers Jardine and Executive General Manager of Hooker Corporation. For 17 years prior he was Managing Director of Baillieu Knight Frank (SA) Pty Ltd, then Managing Director of Baillieu Knight Frank (NSW) and a Director/Partner of the Australian Company.

David has extensive experience in property consultancy throughout Australia and South East Asia with Corporate and large family owned businesses. David has been a director of DomaCom Limited since 23 February 2015.

Graeme A Billings – Independent Non-Executive Director
Graeme has been a chartered accountant since 1980. He retired from PricewaterhouseCoopers in 2011 after 34 years where he was a senior partner in the Assurance practice. Graeme is a former head of the Melbourne Assurance practice as well as leading the Firm's Australian and Global Industrial Products businesses. He has extensive experience in providing assurance, governance, transaction and consulting services to multi-national and national companies in the automotive, manufacturing, consumer goods and construction industries. Graeme was also a regular media commentator on the Industrial Products sector.

Graeme is now an advisor to various companies as well as acting as a non-executive director for a number of public and private companies in the financial services, manufacturing, retail and construction sectors. His current public company appointments are Chairman of Korvest Ltd, Chairman of Azure Healthcare Ltd, Non-executive Director of GUD Holdings Ltd (Audit Committee Chair) and Non-executive Director of Clover Corporation Ltd (Audit Committee Chair).Graeme has been a director of DomaCom Limited since 23 February 2015.

Peter C Church OAM – Independent Non-Executive Director
Peter Church OAM FAICD is a lawyer and corporate adviser who has spent much of his career in South East Asia and India where he advises a wide range of clients. He has written a number of books on the region and is an Adjunct Professor in the Business School of Curtin University. He was awarded the Medal of the Order of Australia (OAM) in 1994 by the Australian Government for the promotion of business relations between Australian and South East Asia. He is also a Fellow of the Australian Institute of Company Directors (FAICD). His current appointments include Executive Chairman of AFG Venture Group, Special Counsel to the English law firm, Stephenson Harwood and Non-Executive Director of OM Holdings Limited (ASX). Peter has been a director of DomaCom Limited since 26 August 2015.

Ross A Laidlaw – Executive Director
Ross has spent over 30 years in Financial Services, and has deep and expansive experience within markets in Australasia, Europe and America. His strength lies in the development of start-up or green field developments and driving them into fully fledged and profitable businesses. Ross was CEO of the successful Skandia Platform for over 7 years, developing it into a leading Platform that was well supported by independent financial advisers. Ross is involved in both the strategic and operational aspects of the DomaCom business ensuring the business meets its regulatory requirements while also ensuring the business continues to innovate and appeal to the distribution channels.

Ross is a qualified Chartered Accountant, holds a Bachelor of Economics, a Graduate Diploma of Financial Planning and is a Fellow of the Financial Services Institute of Australasia. His key role at DomaCom is as Chief Operating Officer. Ross has been a director since 23 February 2015.

George D Paxton - Non-Executive Director
George is an experienced fund manager with a deep knowledge of international valuation techniques and methodologies and an extensive range of financial analytical skills. His previous experience has included senior positions providing banks and hedge funds with actionable intelligence and analysis. He is a proven leader of M&A, Equity and credit analysis teams across a range of different industries and products in the UK, Europe, Middle East, and Asia. George is a director of aaig where he has been involved in every aspect of its success and growth. Through its subsidiaries, aaig is a significant investor in DomaCom Limited. George has been a director since 27 September 2019.

Matthew Roberts - Non-Executive Director
Matthew has over 20 years' experience in mergers and acquisitions, structuring, capital raising, initial public offerings and reverse listings. He specialises in corporate advisory, capital raisings and mergers and acquisitions in financial services, technology, mining and sustainability industries throughout Australasia, Europe and the United States. Matthew is a director of aaig that, through its subsidiaries, is a significant investor in DomaCom Limited. Matthew has been a director since 27 September 2019.

Philip JR Chard – Chief Financial Officer, Company Secretary
Philip has over 25 years of experience in the financial services industry. As a senior manager at Deloitte he provided assurance and advisory services within the funds management and investment banking sectors. Subsequently he has held a broad range of financial control and reporting positions within the property, funds management and banking sectors. He has a strong understanding of the requirements of highly regulated industries and the reporting obligations of listed companies. He has a proven track record of designing and implementing robust internal control and reporting systems.

2. Directors meetings

The number of Directors' meetings and the number of meetings attended by the Directors of the Company during the year ended 30 June 2020 were:

	Board of Directors		Audit Committee		Risk Management	
	Held	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Mr David H Archbold	9	9	4	4	1	1
Mr Graeme A Billings	9	9	4	4	1	1
Mr Peter C Church	9	9	4	4	1	1
Mr Grahame D Evans	9	8	-	-	1	1
Mr Ross A Laidlaw	9	9	4	4	1	1
Mr Arthur Naoumidis	9	9	-	-	1	1
Mr George D Paxton	8	8	-	-	1	1
Mr Matthew Roberts	8	8	-	-	1	1

3. Principal activity

During the year, the principal activities of entities within the Group were the development of a software platform to be used for the trading of fractional interests in property.

4. Operating results

The Group has incurred an operating loss of $5,778,671 (2019: $5,780,755).

5. Distributions paid or declared

No distributions were declared or paid in the current year.

6. Review of operations and financial results

The Group is a participant in the financial services market in Australia. DomaCom Limited is the holding company and DomaCom Australia Limited, DomaCom Platform Services Pty Ltd and DomaCom Singapore Private Limited are 100% owned subsidiaries of the DomaCom Group.

DomaCom Australia Limited is the investment manager of the DomaCom Fund ("the Fund") (Managed Investment Scheme). The Fund allows investors to hold fractional interests in underlying assets, that they themselves have selected or their advisers on their behalf.

During the last 12 months the assets under management in the DomaCom Fund have increased from $56 million to $71 million which represents a 27% increase. DomaCom continues to fractionalise assets in the following areas residential housing, residential developments, commercial property, Land banking and in the renewable energy sector. With the continued product development of the last few years DomaCom is now able to crowdfund both the debt and equity funding for the specific property assets, which has increased the attractiveness of the DomaCom model and also allowed assets to be onboarded more quickly.

COVID-19

DomaCom has not been significantly impacted operationally by COVID-19. As a cloud based business staff can work effectively from home. Our main target market is the financial planning industry which is generally well placed to interact using online services.

Although there was an initial flattening in FUM growth in March/April 2020, FUM grew by 11% during the quarter ended 30 June 2020, demonstrating the ability to continue to operate during COVID-19

COVID-19s recent impact on self-funded retirees' income has increased the market for SER and we are seeking to obtain regulatory clarity on how the product works with the Government's Downsizer legislation.

The Group recognised income of $50,000 for amounts received from the Australian Taxation Office from the COVID-19 Boosting Cash Flow for Employers program.

New Developments since last year

New Developments since last year are summarised for the following product offerings:

- Rent to Own
- Affordable Housing
- Diversified Pooled Mortgage Fund
- Update on Senior Equity Release

Rent to Own

During the financial year DomaCom introduced innovative Rent to Own (RTO) concept, and has just completed their first property, with more in the pipeline. This represents a win/win approach amongst the property developers, the tenants and the investors that provide capital. The concept works such that properties are attainable from property developers in markets such as Melbourne and Sydney where there are over supply of housing who offer price discounts to the investors, DomaCom looks to attract a long term tenant (say 5 years), which is attractive for tenants having that length of security and in doing so gift the tenants equity representing 1% for each year for 5 years of the investors capital. The long-term tenant is more likely to look after the property as they also have equity in the property and can look to increase their equity by buying further units on DomaCom's secondary market. It is attractive for investors who are receiving discount from Developers who forgo spending this money on marketing by passing the discount onto the buyers.

Affordable Housing

DomaCom continues to work in the Affordable Housing space as it believes that its model is very well placed to raise Funds from the capital markets, which in turn helps support the supply of Housing for Essential workers. DomaCom is working closely with Community Housing Providers and the National Housing Finance and Investment Corporation. DomaCom believes the work undertaken in this space will provide benefits into the 2020/2021 financial year.

Diversified Pooled Mortgage Portfolio

In 2019 DomaCom was successful in delivering a diversified Mortgage Portfolio for a key client. That portfolio continued to attract assets during the current financial year. Off the back of this development a pooled mortgage fund has been developed for another key client. This product allows the client via the DomaCom platform to select mortgages that are most suitable, based on type of security i.e. commercial, residential, or industrial, length of time, loan to valuation ratio and interest rate. This will represent another source of debt funding for projects that are onboarded to the DomaCom platform.

Senior Equity Release Product Update

The Senior Equity Release Product was launched in June 2019 after over 6 years in development and working closely with the Australian and Securities Investment Commission. This is a first as no other company in Australia has delivered a regulated Equity Release product to the Seniors market.

This product adds another important piece of the puzzle to the retirement landscape and will allow Financial Planners increased choice and flexibility when dealing with Retirees and their decision with regards to their options concerning remaining in the family house, downsizing or moving into aged care accommodation.

The DomaCom product allows Retirees to sell a part of their home to other investors and in return receive a lump sum payment or a regular income payment or a combination of the two. This will allow Retirees to enjoy their retirement years. Research indicates that many Retirees wish to remain living in their family homes and in the communities, they are familiar with. This particular cohort have not had the years of compulsory superannuation and therefore the family home is often their largest asset. This product requires that the Retirees seek advice from an Accredited Senior Equity release adviser to ensure they understand the nature of the product and the fees and costs.

The clear focus on this product during the last 12 months has been to:

- have the product added to the approved product list of Financial Planners
- accredit financial planners
- increase the understanding of this product among other interested parties such as Aged care specialists that are dealing with Seniors and the range of issues confronting this cohort at this time in their lives
- Undertaking product comparisons with alternative or competing products.

7. Significant Changes in State of Affairs

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

8. Post Balance Date Events

Subsequent to balance date and prior to the issuing of this report, the following events have occurred:

- the Group entered into a new 12 month lease agreement for the Melbourne offices effective 1 August 2020;
- as set out the ASX announcement dated 19 August 2020, the Company is undertaking a Capital Raising;
- as set out in the ASX announcement dated 21 August 2020 in addition to the capital raising, the Company is proposing to undertake a Transaction which requires submissions to the ASX pursuant to Listing Rule 11.

Details of the Capital Raising and the Transaction will be made available as part of the Company's continuous disclosure obligations.

There have been no other events subsequent to period end that require disclosure.

9. Future Developments

The Group is expected to continue to develop its software platform and increase the level of assets under management in the DomaCom Fund (Managed Investment Scheme) for which the Group will earn management fees for its role as Investment Manager.

10. Unissued shares under Performance Rights and Options

Performance Rights were issued under the programs described in Note 13 to the financial statements. No other options were granted or are outstanding at the date of this report.

Date Granted	Expiry Date	Exercise price of shares ($)	Number of shares under Performance Rights
5 April 2018	5 April 2021	$nil	725,288

Options were granted to the Australian Special Opportunity Fund, LP, a New York-based institutional investor managed by The Lind Partners, LLC (together, "Lind") as set out in Note 14.

Date Granted	Expiry Date	Exercise price of shares ($)	Number of shares under Options
24 January 2018	24 January 2021	$0.114	3,700,000
5 April 2018	15 June 2021	$0.065	1,850,000

11. Shares issued during or since the end of the year as a result of exercise of Performance Rights

During or since the end of the financial year, the Company issued ordinary shares as a result of the exercise of Performance Rights as follows (there were no amounts unpaid on the shares issued):

Date Granted	Issue Price of Shares ($)	Number of shares issued
5 April 2018	$nil	475,576

12. Remuneration Report (audited)

The Directors present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel, prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

The Remuneration Report is set out under the following main headings:

a Principles used to determine the nature and amount of remuneration;
b Details of remuneration;
c Service agreements;
d Share-based remuneration; and
e Other information

a) Principles used to determine the nature and amount of remuneration

The principles of the Group's executive strategy and supporting incentive programs and frameworks are:

- to align rewards to business outcomes that deliver value to shareholders
- to drive a high performance culture by setting challenging objectives and rewarding high performing individuals; and
- to ensure remuneration is competitive in the relevant employment market place to support the attraction, motivation and retention of executive talent.

A remuneration framework has been structured that is market competitive and complementary to the reward strategy of the Group.

The remuneration structure that has been adopted by the Group consists of the following components:

- fixed remuneration being annual salary;
- short term incentives (STI), being cash-based sales bonuses; and
- long term incentives (LTI), being equity-based incentive plans.

Short Term Incentives (STI)
Short term incentives have been established to reward members of the sales department. The non-discretionary incentives are structured to reward performance against financial targets, including Funds Under Management.

Long Term Incentives (LTI)
The Group has established a long term equity-based incentive plan for Directors and staff in order to:

- assist in the retention and motivation of directors and employees; and
- provide an incentive to grow shareholder value by providing an opportunity to receive an ownership interest in the Company.

The plan provides for the award of both Employee Share Options and Employee Performance Rights to Directors, executives, employees and consultants.

As the Group listed on the ASX on 7th November 2016 historical performance indicators have only been included from 2016 onwards.

	2020	2019	2018	2017	2016
Earnings/(Loss) Per Share ($)	(0.03)	(0.04)	(0.05)	(0.06)	(0.06)
Net Profit/(loss) ($'000)	(5,779)	(5,781)	(5,671)	(6,136)	(6,061)
Share price ($) *	0.042	0.08	0.066	0.11	-

* Price at 30 June

b) Details of remuneration

	Year	Cash salary and fees	Cash bonus	Superannuation	Long service leave	Total	Perform-ance based % of remuneration
Executive Directors							
Arthur Naoumidis	2020	198,629	20,000	18,870	10,502	248,001	8%
Director and CEO	2019	164,380	-	15,616	4,582	184,578	0%
Ross Laidlaw	2020	171,232	-	16,267	9,236	196,735	0%
Director and COO	2019	136,983	-	13,013	2,641	152,637	0%
Non-executive directors							
Grahame Evans	2020	55,227	-	-	-	55,227	0%
Chairman & Independent Director	2019	40,909	-	-	-	40,909	0%
David Archbold	2020	34,310	-	3,259	-	37,569	0%
Independent Director	2019	27,397	-	2,603	-	30,000	0%
Graeme Billings	2020	34,310	-	3,259	-	37,569	0%
Independent Director	2019	27,397	-	2,603	-	30,000	0%
Peter Church	2020	34,310	-	3,259	-	37,569	0%
Independent Director	2019	27,397	-	2,603	-	30,000	0%
George Paxton	2020	27,461	-	2,609	-	30,070	0%
Independent Director	2019	-	-	-	-	-	-
Matthew Roberts	2020	27,461	-	2,609	-	30,070	0%
Independent Director	2019	-	-	-	-	-	-
Other Key Management Personnel							
Philip Chard	2020	162,000	-	15,390	4,489	181,879	0%
CFO / Company Secretary	2019	162,000	-	15,390	3,634	181,024	0%
2020 Total		744,940	20,000	65,522	24,227	854,689	
2019 Total		586,463	-	51,828	10,857	649,148	

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Employee	Fixed Remuneration	At risk: Short Term Incentives	At risk: Performance Rights
Executive Directors			
Arthur Naoumidis	92%	8%	-
Ross Laidlaw	100%	-	-
Non-Executive Directors	100%	-	-
Other Key Management Personnel			
Philip Chard	100%	-	-

Remuneration and other terms of employment for executive directors and senior executives are formalised in letters of employment that provide for various conditions in line with market practice including:

- an annual remuneration package and benefits including superannuation;
- the basis of termination or retirement and the benefits and conditions as a consequence; and
- agreed provisions in relation to annual leave and long service leave, confidential information and intellectual property.

The compensation for termination benefits was $nil (2019: $nil).

c) Service agreements

No key management personnel are employed under a service agreement.

d) Share-based remuneration

No Performance Rights were issued during the year ended 30 June 2020.

Performance Rights granted to directors and employees during the year ended 30 June 2018 under the Long Term Incentive Plan have an exercise price of $nil, were granted at no cost to the recipient and carry no dividends or voting rights. Vesting gives the holder of a Performance Right the right to convert into ordinary shares on a one-for-one basis. The performance rights were issued with no vesting conditions. A cost reduction program implemented during the year ended 30 June 2018 included a reduction in fees paid to non-executive directors and salary paid to executive directors. The issue of the Performance Rights was made to partially compensate for these reductions.

The Performance Rights issued during the year ended 30 June 2018 will expire on 5 April 2021 and may be exercised at any time up to the expiry date.

e) Other information

The number of ordinary shares in the Company held during the financial year ended 30 June 2020 held by key management personnel, including their related parties, are set out below:

	Balance at start of year	Private Placements	Entitlement Offer	Held at end of reporting period
Non-Executive Directors				
Grahame Evans	1,017,403	-	215,554	1,232,957
David Archbold	383,335	-	81,502	464,837
Graeme Billings	508,335	-	107,699	616,034
Peter Church	183,335	-	38,843	222,178
George Paxton (ii)	-	40,431,267	13,789,583	54,220,850
Matthew Roberts (ii)	-	40,431,267	13,789,583	54,220,850
Executive Directors				
Arthur Naoumidis (i)	17,701,094	-	-	17,701,094
Ross Laidlaw	2,165,309	-	142,857	2,308,166
Executives				
Philip Chard	78,253	-	-	78,253

(i) Includes shares held Kathryn Naoumidis (related party to Arthur Naoumidis).

(ii) HALO Investment Co Pty Limited at 30 June 2020 holds 54,220,850 fully paid Ordinary Shares in DomaCom Limited. HALO Technologies Pty Ltd holds 100% of the Ordinary Shares of HALO Investments Co Pty Limited. Matthew Roberts Holdings Pty Ltd holds 51% of the Ordinary Shares of HALO Technologies Pty Ltd. Matthew Roberts holds 100% of the Ordinary Shares of Matthew Roberts Holdings Pty Ltd. Matthew Roberts and George Paxton are both directors of HALO Investment Co Pty Limited.

At 30 June 2020 there were no Performance Rights held the Directors (2019: nil) and 448,460 held by Philip Chard (2019: 448,460). There were no Performance Rights issued during the year ended 30 June 2020 (2019: nil).

There were no loans to key management personnel during the year.

There were no other transactions with key management personnel during the year.

End of audited Remuneration Report.

13. Environmental Issues

The Group currently has no material exposure to environmental or social risks.

14. Indemnification and insurance of Officers or Auditor

During or since the end of the financial year, the Group has given indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums as follows:

During the year, the Group has paid premiums in respect of an insurance contract to indemnify officers against liabilities that may arise from their position as officers of the Group. Officers indemnified include all directors and all executive officers participating in the management of the Group.

Further disclosure required under section 300(9) of the Corporations Act 2001 is prohibited under the terms of the contract.

15. Proceedings on Behalf of the Group

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

DomaCom Australia, a subsidiary of DomaCom Limited, has been supporting an action in the Federal Court for a determination that DomaCom sub-funds are not inhouse assets or related trusts for the purposes of the SIS (Superannuation Industry Supervision) Act. The action concluded with a judgment being handed down by the Full Federal Court of Australia in August 2018 that overturned the original trial judge with a unanimous ruling that it was not a breach of the Sole Purpose Test for a related party of an SMSF to rent a property owned by a DomaCom sub-fund and where the SMSF and associated owned 100% of the sub-fund.

16. Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by section 307C of the Corporations Act 2001 is set out in the following report.

17. Corporate Governance Statement

The Board of DomaCom has adopted the following Corporate Governance policies and practices which are in accordance with the ASX Corporate Governance Council's "Corporate Governance Principles and Recommendations (3rd Edition)" (ASX Guidelines) unless otherwise stated. The ASX Corporate Governance Council (the "Council") has issued a 4th Edition of its Corporate Governance Principles and Recommendations (the "Principles and Recommendations") that will take effect for an entity's first full financial year commencing on or after 1 January 2020.

Role and responsibility of the Board **(Principle 1.1)**

The Board is responsible for the overall corporate governance of the Company, including establishing and monitoring key performance goals. The Board monitors the operational and financial position and performance of the Company and oversees its business strategy, including approving the strategic goals of the Company and considering and approving an annual business plan (including a budget). The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return and sustaining the growth and success of the Company. In conducting the Company's business with these objectives, the Board seeks to ensure that the Company is properly managed to protect and enhance Shareholder interests, and that the Company and its Directors, officers and personnel operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Company, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

- The Board is responsible for the strategic direction of the company.
- The Board reviews and approves the Company's proposed strategy. The objectives of the Company are clearly documented in a long term corporate strategy and an annual business plan together with achievable and measurable targets and milestones.
- The Board approves budgets and other performance indicators and reviews performance against them and initiates corrective action when required.
- The Board ensures that risks facing the company have been identified, assessed and that the risks are being properly managed.
- The Board ensures that policies on key issues are in place and are appropriate. The Board also reviews compliance with policies.
- The Board adopts the most effective structure that best assists the governance process. The selection of Directors is based on obtaining the most relevant and required skills, while also recognising the need to have a diversity of skills and experience on the Board.
- The Board approves and fosters an appropriate corporate culture matched to the Company's values and strategies.
- The Board appoints the Managing Director and evaluates his or her ongoing performance against predetermined criteria. **(Principle 1.6)**
- The Board approves remuneration for the Managing Director and remuneration policy and succession plans for the Managing Director and senior management. **(Principle 1.6)**

Board Charter **(Principle 1.1)**

The Board currently comprises eight directors of whom two are also executives of the Company and two are also directors of an entity that has a substantial security holding in the Company. The majority of the Directors therefore are not independent. Independence is maintained through a combination of ensuring conflicts are declared, requiring conflicted directors to be excluded from discussions and decision making that may be materially impacted by conflicted interests and the Independent Chairman having the casting vote.

A copy of the Company's Board Charter is available on the Company's Website at: www.domacom.com.au/investor-relations.

Board Committees **(Principle 1.2)**

The Board has established 1 standing committee to facilitate and assist the Board in fulfilling its responsibilities. It may also establish other committees from time to time to assist in the discharge of its responsibilities.

Audit Committee **(Principle 4)**

The Board has established a Board Audit Committee.

The purpose of the Committee is to assist the Board in the effective discharge of its responsibilities in relation to the external audit function, accounting policies, financial reporting, funding, financial risk management and certain compliance matters.

The Committee has authority from the Board to review and investigate any matter within the scope of its Charter and make recommendations to the Board in relation to the outcomes. The Committee has no delegated authority from the Board to determine the outcomes of its reviews and investigations and the Board retains its authority over such matters.

The Committee must have at least three members, a majority of whom must be independent non-executive directors.

At least one member of the Committee should have significant expertise in financial reporting, accounting or auditing. The Chairman of the Committee should act independently and must not be the Chairman of the Board.

The current Audit Committee members are:

- Graeme Billings — Chairperson and Independent Non-Executive Director
- David Archbold — Independent Non-Executive Director
- Peter Church — Independent Non-Executive Director

The Board has received declarations from the CEO and CFO that the financial records of the entity have been properly maintained and that the financial statements 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. **(Principle 4.2)**

A copy of the Company's Audit Committee Charter is available on the Company's Website at: www.domacom.com.au/investor-relations.

Remuneration and Nomination Committee **(Principle 1.2/ 2.1/ 8.1-8.3)**

The Remuneration and Nomination Committee at present comprises the full Board.

The Board considers that at this stage assuming the duties of a Remuneration and Nomination Committee is appropriate in light of the Company's operations and size, and the size of the Board. All of the Directors believe that they will able to, individually and collectively, analyse the issues before them objectively in the best interests of all shareholders and in accordance with their duties as Directors.

The Board also addresses board succession issues and ensures that it has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

The Board Charter outlines duties relating to Remuneration and Nomination, and is made available on the Company website.

The Company has established a long term incentive plan (LTIP) to assist in the motivation, reward and retention of executive directors and all other employees. The LTIP is designed to align participants' interests with the interests of Shareholders by providing participants an opportunity to receive shares through the granting of performance rights.

Composition of the Board **(Principle 2.3, 2.4 & 2.5)**

The Board currently comprises eight directors (two of whom are also executives of the Company). The names, biographical details and length of service of the directors are set out above.

Terms of appointment (Principle 1.3 & 2.6)

The Board has adopted a letter of appointment that contains the terms on which non-executive directors are to be appointed, including the basis upon which they will be indemnified by the Company. Non-Executive directors are entitled to take independent advice at the cost of the Company in relation to their role as members of the Board. In addition, an induction process for incoming directors is coordinated by the Company Secretary. The Board receives regular updates at Board meetings, industry workshops, meetings with customers and site visits. These assist directors to keep up-to-date with relevant market and industry developments.

Areas of Competence and skills of the Board of Directors (Principle 2.2)

Area	Competence	Total out of 8 directors*
Leadership	Business Leadership, public listed company experience	8
Business, Finance and Governance	Business strategy, competitive business analysis, corporate advisory, finance and accounting, governance, audit assurance and risk management	8
International	International business management	6
Market & Sales, Distribution	Financial service expertise	5
Technology	Product Development, product life cycle management	3
Real Estate	Domestic and International Property market analysis	3

*This column represents the number of directors rated as being 'competent' or higher in respect of the relevant skill.

Company Secretary (Principle 1.4)

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for ensuring that Board procedures are complied with and that governance matters are addressed. The Company Secretary is also responsible for communications with the ASX about listing rule matters, including making disclosures to the ASX. All directors have direct access to the Company Secretary. The appointment and removal of the Company Secretary is a matter for decision by the Board.

Review of Board performance (Principle 1.6 & 1.7)

The Board at least annually reviews the performance of the Board. The evaluation includes a review of:

- the Board's membership and the charters of the Board and its committees (if any);
- Board processes and its committees' (if any) effectiveness in supporting the Board; and
- the performance of the Board and its committees (if any).

The performance of the Board was reviewed during the year ended 30 June 2020.

A review of each Director's performance is undertaken by the Chairman, after consultation with the other directors, prior to a director standing for re-election.

Policies

The Company has adopted the following policies, each of which has been prepared or revised having regard to the ASX Corporate Governance Principles and Recommendations and is available on the Company's website at www.domacom.com.au/investor-relations.

Continuous Disclosure Policy **(Principle 5.1)**

The Board has adopted a Continuous Disclosure Policy to ensure that it complies with its disclosure obligations under the Corporations Act and the ASX Listing Rules, which applies to all Directors, officers, employees and consultants of the Company. The Board has also delegated the authority to certain authorised spokespersons to manage the Company's compliance with its disclosure obligations and the Continuous Disclosure Policy.

Code of Conduct Policy **(Principle 3.1)**

This policy sets out the standards of ethical behaviour that the Company expects from its Directors, Officers, and Employees. The Board has adopted a Code of Conduct of which sets out the way in which the Group seeks to conduct business, namely in an honest and fair manner, acting only in ways that reflect well on the Group and to act in compliance with all laws and regulations.

Communication Policy **(Principle 6.1-6.4)**

This policy sets out practices which the Company will implement to ensure effective communication with its Shareholders.

The Company has informed shareholders of all major developments affecting the Group's state of affairs as follows:

- placing all relevant announcements made to the market on the Website after they have been released to ASX;
- publishing all corporate governance policies and charters adopted by the Board on the Company Website;
- releasing information provided to analysts or media during briefings to ASX and placing such information on the Website;
- encouraging attendance and participation of shareholders at general meetings to receive updates from the CEO and Chairman on the Group's performance, ask questions of the Board and the Company's auditors regarding the conduct of the audit and preparation and content of the auditor's report.
- providing investor feedback and encouraging they seek further information about the Company via the Company website;
- Management or Directors being available to meet with shareholders from time to time upon request and respond to any enquiries they may make; and
- Investors being able to communicate with the Company's registry electronically by emailing the registry or via the registry's website.

Diversity Policy **(Principle 1.5)**

DomaCom aspires to attract and develop diverse talent at all levels of the Company and the Board is aware of the benefits. Whilst we have had reasonable diversity in past years, due to changes and the current size of the business, the Diversity Policy objectives are not presently what the Board aspires to.

The Diversity Policy sets out the Company's objectives for achieving diversity amongst its Board, management and employees and aims:

- to articulate commitment to diversity within the Company at all levels (including employee level, senior executive level and Board level);
- to establish objectives and procedures which are designed to foster and promote diversity within the Company; and
- ensure a work environment is in place where people are treated fairly and with respect notwithstanding their gender, ethnicity, disability, age or educational experience.

The Board has set the following measurable objectives for achieving gender diversity:

- Increase gender diversity on the Board and senior executive positions and throughout the Group. The Company currently has 12% female representation across the entire group as at 30 June 2020. The objective will be to lift this percentage across the company with the intention that a 1/3 (33%) of the employees are female on a full or part time basis by 30 June 2022.
- Promote flexible work practices to provide managers and staff with the tools to tailor flexible work options that suit both the business and the individual's personal requirements;
- Selection of new staff, the development, promotion and remuneration of staff based solely on their performance and capability; and
- Annually assess gender diversity performance against objectives set by Board.

The Company's current performance against its diversity policy objectives is as follows:

Gender Representation	30-Jun-20		30-Jun-19	
	% Female	% Male	% Female	% Male
Non-Executive Directors	0%	100%	0%	100%
Employees				
Executive Directors	0%	100%	0%	100%
Managers	0%	100%	0%	100%
Staff	25%	75%	20%	80%
Total Employees	12%	88%	11%	89%

Risk Management Policy **(Principle 7.1-7.4)**

This policy sets out how the Company evaluates the effectiveness of its risk management framework to ensure that its internal control systems and processes are monitored and updated on an ongoing basis.

The Board is responsible for reviewing the Company's risk management framework, including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Company's business and which are designed to promote the responsible management and conduct of the Company.

The Board at least annually reports on the effectiveness of the Company's risk management and internal control policies and practices. The Company does not currently have an internal audit function. The current structure for reviewing risks, controls and procedures within the Board is considered appropriate at the Company's current stage of growth and size.

The Board has reviewed the risk management framework during the financial year ended 30 June 2020.

The Company monitors its exposure to all risks, including economic, environmental and social sustainability risks. Material business risks are described in the annual report, which also outlines the Company's activities, performance during the year, financial position and main business strategies.

Compliance with ASX Corporate Governance Principles and Recommendations

The Board has evaluated the Company's current corporate governance policies and practices in light of the ASX Corporate Governance Principles and Recommendations. A brief summary of the approach currently adopted by the Company is set out below:

The Company complies with all of the ASX Corporate Governance Principles and Recommendations including, as not specifically addressed above:

- That at each AGM, the external auditor attends and is available to answer questions from security holders relevant to the audit. **(Principle 4.3)**
- That shareholders have the option to receive communications from, and send communications to, the entity and its security registry electronically. **(Principle 6.4)**

except in relation to the following:

- Recommendation 2.1.(a) – the Board should establish a nomination committee comprising at least 3 members, a majority of independent directors and chaired by an independent director, and should not be the same person as the CEO of the entity.
- Recommendation 2.4 – a majority of the Board of a listed entity should be independent directors.
- Recommendation 7.1.(a) –the Board should have a committee or committees to oversee risks comprising at least 3 members, a majority of independent directors and chaired by an independent director, and should not be the same person as the CEO of the entity.
- Recommendation 8.1.(a) – the Board should establish a remuneration committee comprising at least 3 members, a majority of independent directors and chaired by an independent director, and should not be the same person as the CEO of the entity.

The Board has carefully considered its size and composition, together with the specialist knowledge of its directors, and formed the view that based on its current composition, it has the necessary skills and motivation to ensure that the Company performs strongly, and there is sufficient accountability in the structure of the Board, to ensure the outcomes and objectives sought by the ASX Guidelines are achieved. Having regard for the size of the DomaCom Group, the Board considered that incorporating the risk management and nomination and remuneration procedures into the function of the Board has been an appropriate way of addressing the accountability and efficiencies sought to be achieved by the ASX Guidelines.

The majority of the Board are not independent as two directors are also executives of the Company and two directors are also directors of an entity that has a substantial security holding in the Company. Independence is maintained through a combination of ensuring conflicts are declared, requiring conflicted directors to be excluded from discussions and decision making that may be materially impacted by conflicted interests and the Independent Chairman having the casting vote.

Signed in accordance with a resolution of the Board of Directors:

Grahame D Evans
Chairman
27 August 2020

Arthur Naoumidis
Director

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Auditor's Independence Declaration

To the Directors of DomaCom Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of DomaCom Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

M A Cunningham
Partner – Audit & Assurance

Melbourne, 27 August 2020

DOMACOM LIMITED
ABN 69 604 384 885

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

	Note	30 June 2020	30 June 2019
		$	$
Revenue		394,759	277,424
Income recognised from research and development incentive		-	74,364
Interest income		7,364	6,168
Government grant income		50,000	-
	4	452,123	357,956
Expenses			
Employee benefits expenses	13	(1,736,251)	(1,649,180)
Fund administration		(237,122)	(170,589)
Rent		(46,432)	(182,026)
Depreciation		(1,011,720)	(754,497)
Insurance		(230,000)	(206,454)
Advertising		(492,449)	(305,126)
Travel expenses		(74,139)	(84,305)
IT expenditure		(74,453)	(56,304)
Telephone expenditure		(38,995)	(51,178)
Professional fees		(495,076)	(490,452)
Finance costs		(938,960)	(1,127,713)
Loss on derecognition (2019: early settlement) of convertible notes		(253,436)	(676,291)
Director Fees		(213,078)	(123,101)
Other expenses		(388,683)	(261,495)
Total Expenses		(6,230,794)	(6,138,711)
Loss before income tax		(5,778,671)	(5,780,755)
Income tax expense	5	-	-
Loss for the period		(5,778,671)	(5,780,755)
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss			
Exchange differences on translating foreign operations		928	(2,568)
Other comprehensive income for the period		928	(2,568)
Total comprehensive loss for the period		(5,777,743)	(5,783,323)
Earnings per share			
Basic Loss per share	17	(0.03)	(0.04)
Diluted Loss per share	17	(0.03)	(0.04)

This statement should be read in conjunction with the notes to the financial statements.

DOMACOM LIMITED
ABN 69 604 384 885

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

		30 June 2020 $	30 June 2019 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	1,453,970	769,210
Receivables	7	141,309	471,476
Prepayments and other assets		117,436	140,845
TOTAL CURRENT ASSETS		1,712,715	1,381,531
NON-CURRENT ASSETS			
Property, plant and equipment	9	6,282	2,178
Right-of-use asset	8	11,202	-
Intangible assets	10	1,697,737	2,041,736
TOTAL NON-CURRENT ASSETS		1,715,221	2,043,914
TOTAL ASSETS		3,427,936	3,425,445
LIABILITIES			
CURRENT LIABILITIES			
Payables	11	656,553	385,988
Provisions	12	194,241	294,643
Lease liabilities	8	11,622	-
Borrowings	14	-	200,000
TOTAL CURRENT LIABILITIES		862,416	880,631
NON-CURRENT LIABILITIES			
Provisions	12	137,206	96,379
Borrowings	14	2,704,680	2,981,232
TOTAL NON-CURRENT LIABILITIES		2,841,886	3,077,611
TOTAL LIABILITIES		3,704,302	3,958,242
NET ASSETS		(276,366)	(532,797)
EQUITY			
Issued Capital	15	33,556,078	28,070,423
Reserves	16	2,031,363	1,481,916
Accumulated Losses		(35,863,807)	(30,085,136)
TOTAL EQUITY		(276,366)	(532,797)

This statement should be read in conjunction with the notes to the financial statements.

DOMACOM LIMITED
ABN 69 604 384 885

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

	Issued Capital	Reserves	Accumulated Losses	Total
2020	**$**	**$**	**$**	**$**
Opening balance at 1 July 2019	**28,070,423**	**1,481,916**	**(30,085,136)**	**(532,797)**
Issue of share capital	5,506,994	-	-	5,506,994
Exercise of performance rights issued in prior periods	44,228	(44,228)	-	-
Convertible Notes Extension of Maturity Date	(65,567)	592,747	-	527,180
Transactions with owners recorded directly in equity	5,485,655	548,519	-	6,034,174
Loss for the period to 30 June 2020	-	-	(5,778,671)	(5,778,671)
Other comprehensive income	-	928	-	928
Total comprehensive income for the period	-	928	(5,778,671)	(5,777,743)
Balance at 30 June 2020	**33,556,078**	**2,031,363**	**(35,863,807)**	**(276,366)**

	Issued Capital	Reserves	Accumulated Losses	Total
2019	**$**	**$**	**$**	**$**
Opening balance at 1 July 2018	24,382,924	1,363,076	(24,322,091)	1,423,909
Issue of share capital	3,273,461	-	-	3,273,461
Exercise of performance rights issued in prior periods	414,038	(414,038)	-	-
Expiry of performance rights issued in prior periods	-	(17,710)	17,710	-
Issue of convertible notes	-	553,156	-	553,156
Transactions with owners recorded directly in equity:	3,687,499	121,408	17,710	3,826,617
Loss for the period to 30 June 2019	-	-	(5,780,755)	(5,780,755)
Other comprehensive income	-	(2,568)	-	(2,568)
Total comprehensive income for the period	-	(2,568)	(5,780,755)	(5,783,323)
Balance at 30 June 2019	28,070,423	1,481,916	(30,085,136)	(532,797)

This statement should be read in conjunction with the notes to the financial statements.

DOMACOM LIMITED
ABN 69 604 384 885

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

	Note	30 June 2020 $	30 June 2019 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		394,759	277,424
Payments to suppliers and employees		(3,844,131)	(3,490,623)
Research and development tax offset received		394,237	558,324
Finance costs		(537,293)	(584,077)
Net cash used in operating activities	18	(3,592,428)	(3,238,952)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of other assets		34,000	-
Payments for plant and equipment		(7,041)	(926)
Payments for intangible assets		(530,354)	(735,338)
Payment for investment		-	(44,264)
Amounts advanced to related parties		(1,332,980)	(415,769)
Amounts repaid by related parties		1,332,478	424,346
Interest Received		7,364	6,168
Net cash used in investing activities		(496,533)	(765,783)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from share issue		5,506,994	3,110,758
Proceeds from convertible notes		-	2,750,850
Repayment of convertible notes		(393,115)	(1,561,171)
Proceeds from short term loans		-	650,000
Repayment of lease liabilities		(139,831)	-
Repayment of short term loans		(200,000)	(980,000)
Net cash provided by financing activities		4,774,048	3,970,437
Net increase/(decrease) in cash and cash equivalents		685,087	(34,298)
Cash and cash equivalents at the beginning of period		769,210	803,421
Net foreign exchange difference		(327)	87
Cash and cash equivalents at the end of period	6	1,453,970	769,210

This statement should be read in conjunction with the notes to the financial statements.

NOTE 1: GENERAL INFORMATION AND STATEMENT OF COMPLIANCE

The financial report includes the financial statements and notes of DomaCom Limited (the "Company") and its Controlled Entities (the "Group").

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). DomaCom Limited is a for-profit entity for the purpose of preparing the financial statements.

The financial statements for the year ended 30 June 2020 were approved and authorised for issue by the Board of Directors on 27 August 2020.

NOTE 2: NEW ACCOUNTING STANDARDS ISSUED

New Standards adopted at 1 July 2019

The following standards and interpretations have been recently issued and have been adopted by the Group for the year ended 30 June 2020.

AASB 16 Leases

AASB 16 Leases replaces AASB 117 Leases and associated interpretations and became mandatorily effective for financial years beginning after 1 January 2019. Accordingly, these standards apply for the first time to these financial statements.

At transition on 1 July 2019 there was one property lease with 1 month remaining for $11,142. The lease was subsequently renewed for a period of 12 months ending 31 July 2020. The Group has benefited from the use of hindsight for determining the lease term when considering the option to extend the lease and a right-of-use asset of $145,631 was established for this lease at 1 July 2019 with a term of 13 months. There was no impairment of the asset during the current period. The cost of the asset of $145,631 less depreciation of $134,429 during period resulted in the disclosure of a Right-of-Use of $11,202 at 30 June 2020. The incremental annual borrowing rate applied under AASB 16 was 8%. The 13 months of operating lease liabilities before discounting of $151,530 were discounted by $5,899 at the incremental borrowing rate to create an operating lease liability at transition of $145,631. The property lease was accounted for as an operating lease under AASB 117 Leases in the prior period. The new Standard has been adopted using the modified retrospective approach such that the comparative numbers for the prior period have not been restated. The opening balance of retained earnings has not been restated. All other leases at transition and in existence in the current and prior periods are short term leases and therefore the expense has been accounted for on a straight-line basis.

AASB Interpretation 23 Uncertainty over Income Tax Treatments

AASB Interpretation 23 Uncertainty over Income Tax Treatments became mandatorily effective for financial years beginning after 1 January 2019. It clarifies how to apply the recognition and measurement requirements in AASB 112 Income Taxes when there is uncertainty over income tax treatments.

As there are no uncertain tax positions within the DomaCom tax group, the adoption of the interpretation did not have any impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES

(a) Overall considerations

The significant accounting policies that have been used in the preparation of these financial statements are summarised below.

The financial statements have been prepared using the measurement bases specified by Australian Accounting Standards for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

Segmental Reporting
Financial information reported internally used for the allocation of resources and assessing performance is currently presented without reference to segments. Therefore profit and loss, revenues and expenses and assets and liabilities have been presented without segmentation.

(b) Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2020. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group Companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of Subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the Parent and the non-controlling interests based on their respective ownership interests.

(c) Foreign currency translation

Functional and presentation currency
The consolidated financial statements are presented in Australian Dollars ($AUD), which is also the functional currency of the Parent Company.

Foreign currency transactions and balances
Foreign currency transactions are translated into the functional currency of the respective Group entity, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at year end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(c) Foreign currency translation (continued)

Foreign operations
In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the $AUD are translated into $AUD upon consolidation. The functional currency of the Entities in the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into $AUD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into $AUD at the closing rate. Income and expenses have been translated into $AUD at the average rate over the reporting period. Exchange differences are charged / credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation the cumulative translation differences recognised in equity are reclassified to profit or loss and recognised as part of the gain or loss on disposal.

(d) Revenue

To determine whether to recognise revenue, the Group follows a 5-step process:
1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due. Interest income is reported on an accruals basis. Revenue arises mainly from the investment management services provided to the DomaCom Fund. This is recognized at a point in time when the performance obligation is satisfied.

The DomaCom Group may be entitled to claim a refundable tax credit for eligible research and development expenditure (eg the Research and Development Tax Incentive regime in Australia or other investment allowances). The DomaCom Group accounts for a claim as an offset against eligible capitalised R&D expenditure. To the extent the claim relates to costs that were expensed as they did not meet the capitalisation criteria under AASB 138 Intangible Assets, this amount is recognised as Income recognised from research and development incentive at a point in time.

(e) Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(f) Intangible assets

Recognition of other intangible assets

Acquired intangible assets

Acquired computer software is capitalised on the basis of the costs incurred to acquire and install the specific software.

Internally developed intangibles

Expenditure on the research phase of projects to develop the software platform is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably
- the project is technically and commercially feasible
- the Group intends to and has sufficient resources to complete the project
- the Group has the ability to use or sell the asset
- the software will generate probable future economic benefits

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Subsequent measurement

All intangible assets, including the internally developed software platform, are accounted for using the cost model whereby capitalised costs are amortised on a systematic basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment testing. Any capitalised internally developed asset that is not yet complete is not amortised but is subject to impairment testing. The following useful lives are applied:

- Software: 5 years
- Software platform costs: 5 years (see Note 3r)

The DomaCom Group may be entitled to claim a refundable tax credit for eligible research and development expenditure (eg the Research and Development Tax Incentive regime in Australia or other investment allowances). The DomaCom Group accounts for a claim as an offset against eligible capitalised R&D expenditure to the extent the claim relates to capitalised expenditure.

Subsequent expenditures on the maintenance of computer software and the software platform will be expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(g) Property, plant and equipment

Plant and equipment is initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Plant and equipment is subsequently measured using the cost model, cost less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of plant and equipment. The following useful lives are applied:

- Furniture & fittings: 5 years
- Plant & office equipment: 5 years
- Computer equipment: 3 years

Material residual value estimates and estimates of useful life are updated as required, but at least annually. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

(h) Leased assets

The following accounting policy is applicable from 1 July 2019.

The Group as a lessee

For any new contracts entered into on or after 1 January 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

• the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
• the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
• the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease 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 Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(h) Leased Assets (continued)

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Accounting policy applicable before 1 July 2019

Where the Group is a lessee, payments on operating lease agreements are recognised as an expense on a straight-line basis over the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(i) Impairment testing of intangible assets and property, plant and equipment

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset’s or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect management’s assessment of respective risk profiles, such as market and asset-specific risks factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

An impairment charge is reversed if the cash-generating unit’s recoverable amount exceeds its carrying amount.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(j) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred.
A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Trade and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in Companies, which are determined by reference to the industry and region of a counterparty and other shared credit risk characteristics. The impairment estimate is then based on the expected credit loss.

Classification and subsequent measurement of financial liabilities

The Group’s financial liabilities include trade and other payables, and related party loans

Financial Liabilities

Financial liabilities are measured subsequently at amortised cost using the effective interest method.
All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Compound Instruments

The component parts of compound instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion options that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company’s own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument’s maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to issued capital. Where the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained profits/ accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(j) Financial Instruments (continued)

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

(k) Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, the Australian Taxation Office (ATO) and other fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not provided if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group’s forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as the revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(m) Equity, reserves and dividend payments

Share capital represents the fair value of shares that have been issued. Any transaction costs associated with the issuing of shares are deducted from share capital, net of any related income tax benefits.

Retained earnings includes all current and prior period retained profits.

Dividend distributions payable to equity shareholders are included in other liabilities when the dividends have been approved in a general meeting prior to the reporting date.

All transactions with owners of the parent are recorded separately within equity.

(n) Employee benefits

Short-term employee benefits

Short-term employee benefits, including annual leave entitlement, are current liabilities included in employee benefits, measured at the undiscounted amount that the Group expects to pay as a result of the unused entitlement.

Share-based payments

Share-based compensation benefits are provided to employees via the Group or Shareholders for no cash consideration.

The fair value of shares granted is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the shares.

(o) Provisions, contingent liabilities and contingent assets

Provisions for legal disputes, onerous contracts or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(p) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST components of investing and financing activities, which are disclosed as operating cash flows.

(q) Going Concern

As a developing business the Group has experienced a loss of $5,778,671 and negative operating cash flows as set out in the Consolidated Statement of Cash Flows. The Group has net working capital of $850,299 and a net liability position of $276,366.

The continuing viability of the Group and its ability to continue as a going concern is dependent upon the Group being successful in continuing to grow Funds under Management ("FUM") within the DomaCom Fund and the ability to raise capital. A detailed sales pipeline and forecast is continuously updated and reported to the Board on a regular basis.

The Group has demonstrated an ability to adapt to changing market conditions and develop various product offerings to meet investor needs. The strategy for continued growth includes further expanding the direct to consumer distribution channel that will work alongside DomaCom's established financial adviser network. Further significant product developments are also expected to grow FUM, including the recently introduced Rent-To-Own product that enables tenants to take an equity interest in their rental properties. Also a unique Shariah compliant product is being developed targeting the Australian Islamic community and other communities that are prohibited from borrowing money. In addition DomaCom is focused on providing investment opportunities within the themes of regional investment, affordable housing and renewable energy. The success of these opportunities is constantly monitored within the sales pipeline review process.

Cash flow forecasts are presented and discussed at each Board Meeting. The need to raise additional funds is carefully monitored. DomaCom intends to raise additional capital to meet its short to medium term operating requirements. The maturity dates of the Convertible Notes were extended by 12 months to reduce the amount of short term capital required. As an ASX listed entity DomaCom has been able to successfully complete 2 Private Placements and an Entitlement Offer during the year ended 30 June 2020.

The COVID-19 has had a minimum operational impact on DomaCom with staff successfully transitioning to remote working. Also our main target market is the financial planning industry which is generally well placed to interact using online services. Although there was an initial flattening in FUM growth in March/April 2020, FUM grew by 11% during the quarter ended 30 June 2020, demonstrating the ability to continue to operate during COVID-19. The Group recognised income of $50,000 for amounts received from the Australian Taxation Office from the COVID-19 Boosting Cash Flow for Employers program.

If these matters are not achieved, there may be significant uncertainty as to whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities in the normal course of business and at the amounts stated in the financial report. The Directors believe that the Group will be able to access sufficient sources of funds and implement cost control measures if required and are satisfied that the Group will continue as a going concern. The Group has shown the ability to raise capital during the current year. Accordingly, the financial report has been prepared on a going concern basis. No adjustments have been made to the financial report relating to the recoverability and classification of the asset carrying amounts or the amount and classification of liabilities that might be necessary should the Group not continue as a going concern.

NOTE 3: SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

(r) Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Significant management judgements

The following are significant management judgements in applying the accounting policies of the Group that have the most significant effect on the financial statements.

Capitalisation of internally developed software platform

Distinguishing the research and development phases of the internally developed software platform and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Useful economic life of internally developed software platform

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of software. During the year management determined that the useful life of the internally developed software remains unchanged from the prior year.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions. No deferred tax assets were recognized due to uncertainty of recoverability.

NOTE 4: REVENUE & OTHER INCOME

	2020 $	2019 $
Management fees	394,759	277,424
Income recognised from research and development incentive	-	74,364
Interest income	7,364	6,168
Government grant income	50,000	-
	452,123	357,956

Fees earned for investment management services provided to the DomaCom Fund are calculated based on fixed percentages applied to the Funds Under Management.

The Group recognised income of $50,000 for amounts received from the Australian Taxation Office from the COVID-19 Boosting Cash Flow for Employers program.

In the prior year the Group claimed refundable tax credits for eligible research and development expenditure. The Group accounts for a claim partially as an offset against eligible capitalised R&D expenditure. Income recognised from research and development incentive represents the amount of the claim that does not meet the criteria for offset to the extent that it has been received for expenses that did not meet the capitalisation criteria under AASB 138 Intangible Assets.

NOTE 5: INCOME TAX EXPENSE

	2020 $	2019 $
Prima facie tax on loss before income tax	(5,778,671)	(5,780,755)
Prima facie tax on loss before income tax at 27.5% (2019: 27.5%)	1,589,135	1,589,708
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible research and development expenses	145,847	202,218
Non-assessable research & development income	-	20,450
Other non-deductible expenses	(16,752)	3,548
Research and development tax grant received	-	(249,230)
Effect of different tax rate of subsidiaries operating in other jurisdiction (17%)	(1,362)	173
Unused tax losses not recognised as DTAs	(1,906,151)	(1,631,482)
Tax offsets not recognised for deferred tax	189,283	64,615
Income tax expense	-	-

Components of tax expense		
Temporary differences	-	-
	-	-

NOTE 5: INCOME TAX EXPENSE (CONTINUED)

Deferred taxes arising from temporary differences and unused tax losses calculated at a tax rate of 27.5% (2019: 27.5%) disclosed in the table below have not been recognised due to uncertainty over future taxable profits in the consolidated tax group.

	2020	2019
	$	$
Deferred tax assets not recognised at the reporting date:		
Unused tax losses at 27.5% (2019: 27.5%)	8,097,008	6,705,645
Equity raising and company restructure costs	349,917	152,682
Accruals & Provisions	110,940	132,527
	8,557,865	6,990,854
Tax Losses and deductible temporary differences for which no deferred tax asset has been recognised		
Unused tax losses	28,569,305	24,511,771
Equity raising and company restructure costs	1,272,424	555,207
Accruals & Provisions	403,417	481,915
	30,245,146	25,548,894

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at bank	1,413,970	728,559
Cash on deposit	40,000	40,651
	1,453,970	769,210

Cash and cash equivalents carries a weighted average effective interest rate of 0.41% (2019: 1.24%).

NOTE 7: RECEIVABLES

CURRENT		
Amount receivable from Australian Taxation Office	50,000	394,237
Amount receivable from related party	6,723	6,221
Other debtors	84,586	71,018
	141,309	471,476

Receivables are non-interest bearing. There are no receivables where the fair value would be materially different from the current carrying value.

The amount receivable from the Australian Taxation Office of $50,000 is for the Boosting Cash Flow For Employers legislation introduced in response to the COVID-19 pandemic.

The amount receivable from the R&D taxation rebate of $394,237 in the prior year was pledged as part security for Short Term Loans (see Note 14). The Group has not made a claim for the current financial year.

The Group reviews all receivables for impairment. Any receivables which are doubtful are provided for based on the expected credit loss. There are no receivables past due at the reporting date. No receivables have been provided for at the reporting date.

NOTE 8: LEASES	**2020 $**	**2019 $**
Right of Use Asset		
Year ended 30 June 2020		
Opening net book amount	-	-
Additions	145,631	-
Amortisation	(134,429)	-
Closing net book value	11,202	-
At 30 June 2020		
Cost	145,631	-
Accumulated depreciation	(134,429)	-
Net book value	11,202	-

As set out in Note 2, the Group adopted IFRS 16 with effect from 1 July 2019. At transition there was one property lease for the Melbourne office with 1 month remaining for $11,142. The lease was subsequently renewed for a period of 12 months ending 31 July 2020. The Group has benefited from the use of hindsight for determining the lease term when considering the option to extend the lease and a right-of-use asset of $145,631 was established for this lease at 1 July 2019 with a term of 13 months.

With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

The Melbourne office lease is non-cancellable. The Group is prohibited from selling or pledging the underlying leased assets as security. The Group must keep the property in a good state of repair.

Lease Liability		
Opening lease liability	-	-
Recognition of lease liability	145,631	-
Interest charge	5,822	
Repayment of lease	(139,831)	-
Closing lease liability	11,622	-
At 30 June 2020		
Current	11,622	-
Non-current	-	-
	11,622	-

NOTE 8: LEASES (CONTINUED)

Future minimum lease payments at 30 June 2020 were as follows:

	Within 1 year	1-5 years	After 5 years	Total
30 June 2020	**$**	**$**	**$**	**$**
Lease payments	11,699	-	-	11,699
Finance Charges	(77)	-	-	(77)
Net present value	11,622	-	-	11,622

The Group has elected not to recognise a lease liability for short term leases (leases with an expected term of 12 months or less) or for leases of low value assets. Payments made under such leases are expensed on a straight-line basis. The expense relating to payments not included in the measurement of a lease liability is $46,432.

At 30 June 2020 the Group was not committed to renewing the Melbourne office lease and did not have any short term lease commitments.

NOTE 9: PLANT AND EQUIPMENT

	Furniture & fittings	Plant and office equipment	Computer Equipment	Total
	$	**$**	**$**	**$**
Year ended 30 June 2020				
Opening net book amount	-	30	2,148	2,178
Additions	-	-	7,041	7,041
Depreciation charge	-	(30)	(2,907)	(2,937)
Closing net book value	-	-	6,282	6,282
At 30 June 2020				
Cost	9,677	3,633	76,031	89,341
Accumulated depreciation	(9,677)	(3,633)	(69,749)	(83,059)
Net book value	-	-	6,282	6,282
Year ended 30 June 2019				
Opening net book amount	-	151	11,355	11,506
Additions	-	-	926	926
Depreciation charge	-	(121)	(10,133)	(10,254)
Closing net book value	-	30	2,148	2,178
At 30 June 2019				
Cost	9,677	3,633	68,990	82,300
Accumulated depreciation	(9,677)	(3,603)	(66,842)	(80,122)
Net book value	-	30	2,148	2,178

NOTE 10: INTANGIBLE ASSETS

	Software platform	Computer software	Total
	$	$	$
Year ended 30 June 2020			
Opening net book amount at 1 July 2019	2,016,986	24,750	2,041,736
Amounts capitalised and additions	530,354	-	530,354
Amortisation	(873,603)	(750)	(874,353)
Closing net book value at 30 June 2020	1,673,737	24,000	1,697,737
At 30 June 2020			
Cost	4,777,760	130,057	4,907,817
Accumulated depreciation	(3,104,023)	(106,057)	(3,210,080)
Net book value	1,673,737	24,000	1,697,737
Year ended 30 June 2019			
Opening net book amount at 1 July 2018	2,334,704	35,809	2,370,513
Amounts capitalised and additions	415,466	-	415,466
Amortisation	(733,184)	(11,059)	(744,243)
Closing net book value at 30 June 2019	2,016,986	24,750	2,041,736
At 30 June 2019			
Cost	4,247,406	130,057	4,377,463
Accumulated depreciation	(2,230,420)	(105,307)	(2,335,727)
Net book value	2,016,986	24,750	2,041,736

Amortisation methods and useful lives

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

- Software platform costs (all internally generated): 5 years
- Computer software 5 years

See Note 3 (r) for management's judgement applied in determining the useful life of intangible assets.

NOTE 11: PAYABLES

	2020	2019
	$	$
CURRENT		
Trade creditors	563,801	295,096
Sundry creditors and other accruals	92,752	90,892
	656,553	385,988

Payables are non-interest bearing.

There are no payables where the fair value would be materially different from the current carrying value.

Trade creditors include $195,203 due to the Australian Taxation Office relating to deferred PAYG obligations. Payment has been deferred until September 2020 under COVID-19 provisions.

	2020 $	2019 $
NOTE 12: PROVISIONS		
CURRENT:		
Employee entitlements	179,504	144,643
Other	14,737	150,000
	194,241	294,643
NON-CURRENT		
Employee entitlements	137,206	96,379

NOTE 13: EMPLOYEE REMUNERATION

	2020	2019
Wages, salaries	1,510,907	1,403,855
Pensions - defined contribution plans	140,508	119,785
Other employment benefits	84,836	125,540
	1,736,251	1,649,180

The Director Long Term Incentive Plan and Employee Long Term Incentive Plan (LTIP) was established as a retention strategy and an incentive for staff and directors to continue to work hard for the DomaCom Group. Through obtaining equity, staff are motivated to strive to make the DomaCom Group successful as they will ultimately share in the success.

All Directors and eligible employees were granted performance rights in the years ended 30 June 2015 and 30 June 2018. No performance rights were issued during the year ended 30 June 2020.

Vesting gives the holder of a Performance Right the right to convert some or all of their Performance Rights into ordinary shares. Each Performance Right entitles its owner to one ordinary share in the Company on conversion. The performance rights issued in the year ended 30 June 2018 expire on 5th April 2021 and may be exercised at any time up to that date.

The performance rights under the employee and non-executive director and executive director programs have an exercise price of $nil.

Performance rights were granted as follows for the reporting periods presented:

	Employee & director program (issued 2018)	**Employee & non-executive director program (issued 2015)**
	Number of rights	Number of rights
Outstanding at 30 June 2018	5,107,129	136,929
Expired	-	(35,419)
Exercised	(3,906,265)	(101,510)
Outstanding at 30 June 2019	1,200,864	-
Exercised	(475,576)	-
Outstanding at 30 June 2020	725,288	-

NOTE 13: EMPLOYEE REMUNERATION (CONTINUED)

The fair value of performance rights granted under the employee and non-executive director program on 14th December 2015 and granted under the employee and director program on 5th April 2018 was based on the estimated share price at grant date. The following principal assumptions were used in the valuations:

	Employee & director program (issued 2018)	Employee & non-executive director program (issued 2015)
Grant date	5 April 2018	14 Dec 2015
Vesting period ends	5 April 2018	30-Nov-18
Share price at grant date	$0.093	$0.50
Volatility	-	-
Performance right life	Up to 3 years	Up to 3 years
Dividend yield	-	-
Risk free investment rate	-	-
Fair value at grant date	$0.093	$0.50
Exercise price at grant date	$0.00	$0.00
Exercisable from	5 April 2018	Variable
Exercisable to	5 April 2021	30 Nov 2018

In total, $nil (2019: $nil) of employee remuneration expense relating to equity-settled share-based payment transactions has been included in profit or loss.

NOTE 14: BORROWINGS

	2020 $	2019 $
CURRENT		
Short term loans	-	200,000
	-	200,000
NON-CURRENT		
3 Year Convertible Notes	-	583,811
2 Year Secured Convertible Notes	-	2,397,421
4 Year Convertible Notes	456,603	-
3 Year Secured Convertible Notes	2,248,077	-
	2,704,680	2,981,232

NOTE 14: BORROWINGS (CONTINUED)

	4 year unsecured convertible notes ($)	3 year secured convertible notes ($)	3 year unsecured convertible notes ($)	2 year secured convertible notes ($)	Short Term Loans ($)	Total ($)
Opening balance at 1 July 2019	-	-	583,811	2,397,421	200,000	3,181,232
Repayment of loans	-	-	-	-	(200,000)	(200,000)
Derecognition of convertible security	-	-	(650,000)	(2,950,000)		(3,600,000)
Issue of notes	650,000	2,950,000	-	-	-	3,600,000
Equity component of convertible notes issued	(153,703)	(439,044)	-	-	-	(592,747)
Cost of issuing notes	(49,400)	(283,148)	-	-	-	(332,548)
Interest expense and payments	9,706	20,269	30,594	334,738	-	395,307
Loss on derecognition of convertible notes	-	-	35,595	217,841	-	253,436
Closing balance as at 30 June 2020	456,603	2,248,077	-	-	-	2,704,680

	Short Term Loans ($)	Convertible Securities ($)	3 year unsecured convertible notes ($)	2 year secured convertible notes ($)	Total ($)
Opening balance at 1 July 2018	530,000	476,243	548,540	-	1,554,783
Repayment of loans	(980,000)	-	-	-	(980,000)
Short terms loan	650,000	-	-	-	650,000
Repayment of convertible security	-	(1,552,328)	-	-	(1,552,328)
Issue of notes	-	-	-	2,396,844	2,396,844
Cost of issuing notes	-	-	-	(174,899)	(174,899)
Interest expense and payments	-	399,794	35,271	175,476	610,541
Loss on early settlement of convertible notes	-	676,291	-	-	676,291
Closing balance as at 30 June 2019	200,000	-	583,811	2,397,421	3,181,232

NOTE 14: BORROWINGS (CONTINUED)

Short Term Loans

In the prior year the Company entered into a $200,000 loan secured on the Research & Development tax incentive claim for the year ended 30 June 2019 at an interest rate of 1.25% per month. The loan was repaid on receipt of the Research & Development claim on 29 October 2019.

Convertible Securities issued to The Australian Special Opportunity Fund

DomaCom Limited entered into a Convertible Security Funding Agreement ("Agreement") to raise initially $1,000,000 in funds through the issue of a First Convertible Security to the Australian Special Opportunity Fund, LP, a New York-based institutional investor managed by The Lind Partners, LLC (together, "Lind"). The Execution Date was 15 January 2018 and the First Closing Date was 24 January 2018.

The Agreement provided for DomaCom to request up to an additional A$500,000 during the Term of the Agreement through the issue of a Second Convertible Security. This was taken up with a Second Closing Date of 15 June 2018.

DomaCom issued Lind a A$1,200,000 First Convertible Security repayable over 24 months with an initial repayment holiday of 120 days and 20 monthly repayments of a notional amount of $60,000 in either shares or cash (at DomaCom's option). As part of the transaction 3,700,000 options were issued with an exercise price of $0.114 and an expiry date of 24 January 2021.

DomaCom issued Lind a A$600,000 Second Convertible Security that repayable over 24 months with no repayment holiday with 24 monthly repayments of a notional amount of $25,000 in either shares or cash (at DomaCom's option). As part of the transaction 1,850,000 options were issued with an exercise price of $0.0.065 and an expiry date of 15 June 2021.

On 12 December 2018 the Company repaid $1,341,171 to Lind to settle the remaining balance of the First and Second Convertible Securities resulting in the recognition of a loss on early settlement of $676,291.

3 Year Unsecured Convertible Notes

$650,000 was raised through the issue of 650,000 unsecured 3 Year Convertible Notes on 25 January 2018 with an annual coupon of 10% payable quarterly in arrears. The holder of each note has the right to convert into one share at a conversion price of $0.20 up to 25 January 2021. The notes have been accounted for partly as debt and partly as equity.

The 650,000 unsecured 3 Year Convertible Notes were subject to a significant amendment and as a result were derecognised on 18 May 2020 resulting in a loss on derecognition of $35,595.

4 Year Unsecured Convertible Notes

The significant amendments to the Unsecured Convertible Notes were to extended the maturity date by 12 months and amend the exercise price to $0.10. Amounts totalling $65,000 were paid to note holder in the form of an application fee.

650,000 4 Year Unsecured Convertible Notes were recognised on 18 May 2020 with an annual coupon of 10% payable quarterly in arrears. The holder of each note has the right to convert into one share at a conversion price of $0.10 up to 25 January 2022. The notes have been accounted for partly as debt and partly as equity.

NOTE 14: BORROWINGS (CONTINUED)

2 Year Secured Convertible Notes

$2,950,000 was raised through the issue of secured 2 Year Convertible Notes on 7 December 2018 to Thundering Herd Fund No.1 and Thundering Herd Pty Ltd with an annual coupon of 15% payable quarterly in arrears. The holder of each note has the right to convert into one share at a conversion price of $0.15. The notes have been accounted for partly as debt and partly as equity. The issue costs are allocated to debt and equity.

The 2,950,000 secured 3 Year Convertible Notes were subject to a significant amendment and as a result were derecognised on 18 May 2020 resulting in a loss on derecognition of $217,841.

3 Year Secured Convertible Notes

The significant amendments to the Secured Convertible Notes were to extended the maturity date by 12 months and amend the exercise price to $0.10. Amounts totalling $330,000 were paid to note holder in the form of an application fee.

2,950,000 4 Year Secured Convertible Notes were recognised on 18 May 2020 with an annual coupon of 15% payable quarterly in arrears. The holder of each note has the right to convert into one share at a conversion price of $0.10 up to 7 December 2021. The notes have been accounted for partly as debt and partly as equity.

	2020	2019
NOTE 15: ISSUED CAPITAL	**$**	**$**
Ordinary shares fully paid	33,556,078	28,070,423

Ordinary shares	**No.**	**$**
2020		
Opening balance	161,317,536	28,070,423
Ordinary shares fully paid issued during the period	83,750,991	6,150,861
Share issue cost	-	(665,206)
Closing balance as at 30 June 2020	245,068,527	33,556,078
2019		
Opening balance	116,603,865	24,382,924
Ordinary shares fully paid issued during the period	44,713,671	3,943,067
Share issue cost	-	(255,568)
Closing balance as at 30 June 2019	161,317,536	28,070,423

NOTE 15: ISSUED CAPITAL (CONTINUED)

The amount of franking credits available for subsequent reporting periods are:

	2020 $	2019 $
Deferred debit balance of franking account at the beginning of the reporting period	5,650,273	5,256,036
Deferred debit that will arise from the receipt of the R&D tax offset for the current year	-	394,237
Balance of franking account adjusted for deferred debits arising from past R&D offsets received and expected R&D tax offset to be received for the current year	5,650,273	5,650,273

The Group has the capital management objective of ensuring the Group's ability to continue as a going concern. Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may issue new shares.

NOTE 16: RESERVES

	2020 $	2019 $
Share based payment reserve	249,600	249,600
Equity Compensation Reserve	67,452	111,680
Convertible Note Reserve	1,222,874	630,127
Equity Option Reserve	482,295	482,295
Foreign Currency Translation Reserve	9,142	8,214
	2,031,363	1,481,916

2020	Share based payment reserve ($)	Equity Compensation Reserve ($)	Convertible Note Equity Reserve ($)	Equity Option Reserve ($)	Foreign Currency Translation Reserve ($)
Opening balance	249,600	111,680	630,127	482,295	8,214
Exercise of performance rights	-	(44,228)	-	-	-
Recognition of convertible notes	-	-	592,747	-	-
Translation of foreign operation net assets and results	-	-	-	-	928
Closing balance	249,600	67,452	1,222,874	482,295	9,142

NOTE 16: RESERVES (CONTINUED)

2019	Share based payment reserve ($)	Equity Compensation Reserve ($)	Convertible Note Equity Reserve ($)	Equity Option Reserve ($)	Foreign Currency Translation Reserve ($)
Opening balance	249,600	543,428	76,971	482,295	10,782
Exercise of performance rights	-	(414,038)	-	-	-
Expired performance rights issued in prior periods	-	(17,710)	-	-	-
Issue of convertible note	-	-	553,156	-	-
Translation of foreign operation net assets and results	-	-	-	-	(2,568)
Closing balance	249,600	111,680	630,127	482,295	8,214

Share based payment reserve is used to recognise the grant date fair value of shares issued to employees by the Group or Shareholders. The equity compensation reserve represents amounts expensed over the vesting period for performance rights issues to staff and directors. The convertible note equity reserve is used to recognise the equity portion of compound instruments as set out in Note 3(j). The equity option reserve is used to record the equity element of options issued. Exchange differences relating to the translation of results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency are recognised in other comprehensive income and accumulated in the foreign currency reserve.

NOTE 17: EARNINGS PER SHARE

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Parent Company (DomaCom Limited) as the numerator (i.e. no adjustments to profit were necessary in 2020 or 2019). The weighted average number of shares used in the calculation of the earnings per share is as follows:

	2020	2019
Amounts in thousands of shares:		
- weighted average number of shares used in the basic earnings per share	215,690	133,229

NOTE 18: RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2020 $	2019 $
Loss for the period	(5,778,671)	(5,780,755)
Adjustments for:		
Depreciation and amortisation	1,011,719	754,496
Loss on sale of asset	10,264	-
Net interest received included in investing and financing	(1,543)	(6,168)
Research & development grant offset against intangible assets	-	319,872
Net foreign exchange (gain)/loss	1,255	(341)
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	309,814	217,827
Increase/(decrease) in trade payable and accruals	779,047	1,159,681
Increase/(decrease) in employee provisions	75,687	96,436
Net cash used by operating activities	(3,592,428)	(3,238,952)

NOTE 19: AUDITOR REMUNERATION

Audit and review of financial statements		
Auditors of DomaCom Limited - Grant Thornton Australia	74,500	74,800
Overseas Grant Thornton network firms	-	12,467
Remuneration from audit and review of financial statements	74,500	87,267
Other Services		
Auditors of DomaCom Limited - Grant Thornton Australia		
- taxation compliance	11,500	10,500
- other	2,005	2,764
Total other service remuneration	13,505	13,264
Total auditor's remuneration	88,005	100,531

NOTE 20 RELATED PARTY TRANSACTIONS	**2020 $**	**2019 $**
Key management personnel compensation		
Salaries	531,861	463,363
Bonus	20,000	-
Total short term employee benefits	551,861	463,363
Long service leave	24,227	10,857
Total other long-term benefits	24,227	10,857
Pensions - defined contribution plans	50,527	44,019
Total post-employment benefits	50,527	44,019
Total remuneration	626,615	518,239

Kathryn Naoumidis is a related party to Arthur Naoumidis and received a salary of $40,002 (2019: $40,002), pension contributions of $3,800 (2019: $3,800). In addition entitlement to Long Service Leave of $794 accrued ($2019: $774).

Transactions between the Group and its related parties

During the financial year ended 30 June 2020, the following transactions occurred between the Group and its other related parties:

DomaCom Australia

DomaCom Australia Limited, a controlled entity of the Company, received management fees for managing the DomaCom Fund. Management fees recognised during the financial year were $394,759 (2019: $277,424).

DomaCom Australia Limited held cash in the DomaCom Fund. Interest earned during the financial year was $1,612 (2019: $1,151). At 30 June 2020, cash held in the DomaCom Fund amounted to $502,263 (2019: $651).

On 25 June 2019 DomaCom Australia paid $44,162 to purchase 43,000 units in DomaCom Property Sub-Fund DMC0114AU 1/388-390 Burwood Highway from an employee of DomaCom Australia at an arm's length price of $1.027 per unit.

DomaCom Australia had an unsecured receivable balance with the DomaCom Fund of $6,723 (2019: $6,221) representing upfront sub-fund set-up costs to be subsequently reimbursed by the DomaCom Fund. During the year ended 30 June 2020 payments totalling $1,332,981 (2019: $415,769) were made by DomaCom Australia to 3rd parties and receipts were received from the Fund of $1,332,478 (2019: $424,346).

DomaCom Loan Administration Pty Ltd

DomaCom Loan Administration Pty Ltd is 100% owned by DomaCom Limited and the Trustee of the DomaCom Loan Fund.

In the year ended 30 June 2020 DomaCom Loan Sub-Fund DMC0178AU and DomaCom Mortgage Sub-Fund DMC0170AU that form part of the DomaCom Fund entered into separate loan agreements with DomaCom Loan Administration Pty Ltd acting as Trustee of the DomaCom Loan Fund totaling $4,330,000. Simultaneously

NOTE 20 RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions between the Group and its related parties (Continued)

DomaCom Loan Administration Pty Ltd acting as Trustee of the DomaCom Loan Fund entered into loan agreements with DomaCom Property Sub-Funds DMC0135AU, DMC0159AU and DMC0167AU for the same amounts.

In the year ended 30 June 2020 DomaCom Loan Sub-Fund DMC0168AU that forms part of the DomaCom Fund terminated the separate loan agreements entered into in the prior year with DomaCom Loan Administration Pty Ltd acting as Trustee of the DomaCom Loan Fund totaling $1,000,000. Simultaneously DomaCom Loan Administration Pty Ltd acting as Trustee of the DomaCom Loan Fund terminated the loan agreement with DomaCom Property Sub-Funds DMC0167AU for the same amount.

Interest totaling $647,991 was paid from the DomaCom Property Sub-Funds to the DomaCom Loan sub-funds and DomaCom Mortgage Sub-Fund through the DomaCom Loan Fund for the loans in existence during the year ended 30 June 2020.

In the prior year DomaCom Loan Sub-Funds DMC0160AU, DMC0166AU, DMC0168AU and DomaCom Mortgage Sub-Fund DMC0170AU that form part of the DomaCom Fund entered into separate loan agreements with DomaCom Loan Administration Pty Ltd acting as Trustee of the DomaCom Loan Fund totaling $4,007,000. Simultaneously DomaCom Loan Administration Pty Ltd acting as Trustee of the DomaCom Loan Fund entered into loan agreements with DomaCom Property Sub-Funds DMC0161AU, DMC0165AU, DMC0167AU and DMC0170AU for the same amounts. Interest totaling $72,055 was paid from the DomaCom Property Sub-Funds to the DomaCom Loan sub-funds and DomaCom Mortgage Sub-Fund through the DomaCom Loan Fund for these transactions. In addition $52,140 interest was paid from the DomaCom Property Sub-Fund DMC0162AU through the DomaCom Loan Fund to the DomaCom Loan sub-fund DMC0163AU for a loan of $948,000 entered into in the year ended 30 June 2018.

As back-to-back transactions the DomaCom Loan Fund did not recognize loan assets or loan liabilities, interest income or expense with the DomaCom Loan sub-funds or DomaCom Property Sub-Funds.

NOTE 21: CONTINGENT LIABILITIES

There were no contingent liabilities at the end of the year.

NOTE 22: COMMITMENTS

There were no commitments at the end of the year other than Lease Commitments disclosed in Note 8.

NOTE 23: INTERESTS IN SUBSIDIARIES

Name of Subsidiary	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by the Group
DomaCom Australia Limited	Australia	Provision of Investment Management Services and development of platform to fractionalise assets	100%
DomaCom Singapore Private Limited	Singapore	Sales and marketing of fractionalised asset product	100%
DomaCom Platform Services Pty Ltd	Australia	Development of platform to fractionalise assets	100%
DomaCom Loan Pty Ltd	Australia	Trustee for DomaCom Loan Fund	100%
DomaCom Administration Pty Ltd	Australia	Administration of the Senior Equity Release product	100%

NOTE 24: FINANCIAL INSTRUMENTS

Categories of financial instruments

	2020 $	2019 $
Financial Assets		
Cash and cash equivalents	1,453,970	769,210
Trade and other receivables #	141,309	471,476
Other Assets	-	44,264
	1,595,279	1,284,950
Financial Liabilities		
Trade and other payables #	563,801	295,096
Current Borrowings	-	200,000
Non-Current borrowings	2,704,680	2,981,232
	3,268,481	3,476,328

Carried at amortised cost and repayable within 6 months

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised above. The main types of risks are liquidity risk, credit risk and market risk. The Company's risk management is coordinated through the Chief Compliance and Risk Officer, in close cooperation with the Board of Directors (the "Board") and the Chief Financial Officer.

NOTE 24: FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk analysis

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring forecast cash inflows and outflows due in day-to-day business. Net cash requirements are compared to available cash in order to maintain a cash surplus. Funding for long-term liquidity needs sourced through additional capital raising.

The Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Within 6 months ($)	6-12 months	1-5 years ($)
30 June 2020			
Trade payable and other payables	563,801	-	-
4 Year Unsecured Convertible Notes	32,589	32,411	703,425
3 Year Secured Convertible Notes	223,068	219,432	3,143,973
Lease repayment	11,699	-	-
30 June 2019			
Trade payable and other payables	295,095	-	-
Short term loans	200,000	-	-
3 Year Unsecured Convertible Notes	32,589	32,411	768,425
2 Year Secured Convertible Notes	223,068	219,432	3,586,473
Lease repayment	69,637	70,194	11,699

Credit Risk Analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised in Note 7.

The Group continuously monitors defaults of customers and other counterparties, identified either by individual or group and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Market risk analysis

The Group is exposed to market risk through currency and interest rate risk.

Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those translated into $AUD at the closing rate:

NOTE 24: FINANCIAL INSTRUMENTS (CONTINUED)

Market risk analysis (continued)

The following table illustrates the sensitivity of profit and equity in regards to the Group's financial assets and financial liabilities and the $SGD/$AUD exchange rate 'all other things being equal'. It includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a change in foreign currency rates. It assumes a +/- 10% change of the $SGD/$AUD exchange rate for the year ended at 30 June 2020 (2019: 10%).

If the $SGD had strengthened against the $AUD by 10% (2019: 10%) this would have had the following impact through a decrease in the Foreign Currency Translation Reserve:

Foreign Currency Sensitivity	**2020 $**	**2019 $**
SGD		
Financial assets	596	1,128
Financial liabilities	-	-
Total Exposure	596	1,128
Equity	(41)	103

For a 10% weakening of $SGD against $AUD there would be a comparable increase in the Foreign Currency Translation Reserve.

Interest Rate Sensitivity

The Company's policy is to minimise interest rate risk exposures. Interest income is earned on deposits held. The rate is reviewed on a regular basis to ensure it remains in line with the expected rate of return. Interest expense incurred on any short term borrowings is assessed to ensure it is in line with market expectations. The Company's policy is not to enter into any long term borrowing.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2019: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

Interest Rate Sensitivity	**Loss for the period $ +1%**	**Loss for the period $ -1%**
30 June 2020	(18,434)	18,434
30 June 2019	(4,549)	4,549

NOTE 24: FINANCIAL INSTRUMENTS (CONTINUED)

Fair value Measurements

This note provides information about how the Group determines fair values of financial assets and financial liabilities.

Fair value of the Groups financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Consolidated Entity's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/(liabilities)	Fair value 30 June 2020 ($)	Fair value 30 June 2019 ($)	Fair value hierarchy	Valuation technique(s) and key input(s)
43,000 Units held in the DMC0114AU Burwood Highway DomaCom Property Sub-Fund	-	44,264	Level 1	Quoted price for units in DomaCom Property Sub-Fund

NOTE 25 PARENT ENTITY INFORMATION

	2020 $	2019 $
Current Assets	31,484	880,150
Total Assets	2,477,519	2,692,640
Current Liabilities	49,205	244,205
Total Liabilities	2,753,885	3,225,437
Net Assets	(276,366)	(532,797)
Issued Capital	33,556,078	28,070,423
Share based payment reserve	249,600	249,600
Equity compensation reserve	67,452	111,680
Convertible note equity reserve	1,222,874	630,126
Equity option reserve	482,295	482,295
Retained earnings	(30,076,921)	(24,311,309)
Current earnings	(5,777,744)	(5,765,612)
Total Equity	(276,366)	(532,797)

NOTE 26: SUBSEQUENT EVENTS

Subsequent to balance date and prior to the issuing of this report, the following events have occurred:

- the Group entered into a new 12 month lease agreement for the Melbourne offices effective 1 August 2020;
- as set out the ASX announcement dated 19 August 2020, the Company is undertaking a Capital Raising;
- as set out in the ASX announcement dated 21 August 2020 in addition to the capital raising, the Company is proposing to undertake a Transaction which requires submissions to the ASX pursuant to Listing Rule 11.

Details of the Capital Raising and the Transaction will be made available as part of the Company's continuous disclosure obligations.

There have been no other events subsequent to period end that require disclosure.

DIRECTORS' DECLARATION

In the opinion of the directors of DomaCom Limited

a the consolidated financial statements and notes of DomaCom Limited are in accordance with the *Corporations Act 2001*, including:

i giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the financial period ended on that date; and

ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

b there are reasonable grounds to believe that DomaCom Limited will be able to pay its debts as and when they become due and payable, and

c DomaCom Limited has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

Grahame D Evans	**Arthur Naoumidis**
Chairman	Director

27 August 2020

Grant Thornton

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Independent Auditor's Report

To the Members of DomaCom Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of DomaCom Limited (the Company) and its Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and 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 the Group 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 2020 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 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 3(q) in the financial statements, which indicates that the Group incurred a net loss of $5,778,671 during the year ended 30 June 2020, and as of that date, the Group has effective net working capital of $850,299 and a net liability position of $276,366. As stated in Note 3(q), these events or conditions indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the consolidated financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Capitalisation of Software development costs (Note 10)	
The Group capitalises costs that are directly attributable to the development of intangibles assets in accordance with AASB 138 *Intangible Assets*. AASB 138 provides that an entity may only capitalise costs that meet specific capitalisation criteria. This area is a key audit matter due to the inherent subjectivity required in determining whether the costs capitalised meet the requirements of AASB 138.	Our procedures included, amongst others: • enquiring with management to obtain and document an understanding of their process and the design of controls relating to the capitalisation of software development costs and their compliance with AASB 138; • evaluating the entity's position that the underlying assets is in the development phase, as well as the entity's ability to demonstrate technical feasibility, that the asset will generate probable future economic benefits, the ability to bring the asset to completion for use or sale, amongst other requirements of AASB 138; • obtaining supporting model and on a sample basis, agreeing internal salary costs and other costs capitalised to supporting documentation; • assessing the eligibility of expenditure capitalised for compliance with development recognition requirements under AASB 138; • assessing the allocation of costs between separately identifiable intangible assets; and • assessing the adequacy of the relevant disclosures in the financial statements.
Intangible asset – Impairment (Note 3(f) and (r))	
Given the nature of the industry in which the Group operates, there is a risk that there could be a material impairment to goodwill and intangible asset balances. AASB 136 *Impairment of Assets* requires that an entity shall assess at the end of each reporting period possible internal or external indicators of impairment. If any indication exists, the entity shall estimate the recoverable amount of the asset. This area is a key audit matter due to the inherent subjectivity required in measuring the recoverable amount.	Our procedures included, amongst others: • obtaining from management a paper documenting their assessment relating to the Group's Cash Generating Unit ("CGU") and potential impairment indicators; • evaluating management's assessed carrying value of the intangible asset calculated based on its expected fair value less cost to sell; and • assessing the adequacy of the relevant disclosures in the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's financial report for the year ended 30 June 2020, 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 and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 10 to 13 of the Directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of DomaCom Limited, for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Grant Thornton Audit Pty Ltd
Chartered Accountants

M A Cunningham
Partner – Audit & Assurance

Melbourne, 27 August 2020

DOMACOM LIMITED
ABN 69 604 384 885
SHAREHOLDER INFORMATION

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below. The information is effective as at 24 August 2020.

Substantial Shareholders

HALO INVESTMENT CO PTY LTD	54,220,850
BROWN RIVER INVESTMENTS PTY LTD <BROWN RIVER SUPER FUND A/C>	16,910,333
MR ARTHUR NAOUMIDIS & MRS KATHRYN MARGARET NAOUMIDIS <NAOUMIDIS A/C>	15,990,285

Voting rights

Ordinary Shares: On a show of hands, every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Performance Rights: No voting rights.

Distribution of equity security holders

Holding Ranges	Ordinary Shares	%	Performance Rights	%	Options	%
1-1,000	14	0.00	-	-	-	-
1,001-5,000	171	0.24	-	-	-	-
5,001-10,000	126	0.40	-	-	-	-
10,001-100,000	324	5.22	-	-	-	-
100,001-9,999,999,999	212	94.14	2	100.00	1	100.00
Totals	**847**	**100.00**	**2**	**100.00**	**1**	**100.00**

Twenty (20) largest shareholders	**Number of shares held**	**% of issued shares**
HALO INVESTMENT CO PTY LTD	54,220,850	22.12%
BROWN RIVER INVESTMENTS PTY LTD <BROWN RIVER SUPER FUND A/C>	16,910,333	6.90%
MR ARTHUR NAOUMIDIS & MRS KATHRYN MARGARET NAOUMIDIS <NAOUMIDIS A/C>	15,990,285	6.52%
YASSINE CORPORATION PTY LTD <YASSINE FAMILY A/C>	12,198,234	4.98%
TAYCO INVESTMENTS PTY LTD	5,596,008	2.28%
UCAN NOMINEES PTY LTD <COWEN FAMILY A/C>	5,464,111	2.23%
CITICORP NOMINEES PTY LIMITED	4,880,967	1.99%
BOVINGDON RETIREMENT FUND PTY LTD <BOVINGDON RET FUND A/C>	4,742,406	1.94%
SONENBERG SUPERANNUATION PTY LTD <N SONENBERG SUPER FUND A/C>	4,663,333	1.90%
DARMAL PTY LIMITED	4,098,666	1.67%
BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,849,855	1.57%
NO TAX BILL PTY LTD <ACANTO SUPER FUND A/C>	3,300,000	1.35%
CATHRYN NOLAN & STEPHEN JOYCE <NOLAN JOYCE FAMILY A/C>	3,037,982	1.24%
GOLFER'S DELIGHT PTY LTD <GRAHAM GEORGE GORMAN S/F A/C>	2,845,000	1.16%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,648,806	1.08%
TORONTO COVE PTY LTD <TORONTO COVE SUPER FUND A/C>	2,562,500	1.05%
RACT SUPER PTY LTD <RAND SUPER FUND A/C>	2,500,000	1.02%
A W MAHLER PTY LTD <THE MAHLER SUPER FUND A/C>	2,420,432	0.99%
BOAB5 INVESTMENTS PTY LTD <BOAB5 INVESTMENT A/C>	2,251,646	0.92%
GRAYSON NOMINEES PTY LTD <GRAYSON INVESTMENT A/C>	2,000,000	0.82%
Total Securities of Top 20 Holdings	156,181,414	63.73%
Total of Securities	**245,068,527**	

Unissued equity securities

Number of performance rights issued under the Employee Director programs: 725,288.

Number of options issued to the Australian Special Opportunity Fund, LP: 5,550,000

Securities exchange

The Company is listed on the Australian Securities Exchange.

DOMACOM LIMITED
ABN 69 604 384 885
CORPORATE INFORMATION

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Level 6
99 Queen Street
Melbourne
VIC 3000

Tel: 01300 365 930

DIRECTORS

Grahame D Evans
Arthur Naoumidis
David H Archbold
Graeme A Billings
Peter C Church OAM
Ross A Laidlaw
George D Paxton
Matthew Roberts

COMPANY SECRETARY

Philip JR Chard

SHARE REGISTRY

Boardroom Pty Limited
Level 12, 225 George Street
Sydney
NSW 2000

AUDITOR

Grant Thornton
Collins Square
727 Collins Street
Melbourne
VIC 3008