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CHANGE FINANCIAL LIMITED
APPENDIX 4E
FINANCIAL REPORT YEAR ENDED 20 JUNE 2020

Entity Details

Name of entity	Change Financial Limited
ABN	34 150 762 351

Details on reporting period

Current period	Year ended 30 June 2020
Previous corresponding period	Year ended 30 June 2019

Reporting currency

Unless otherwise stated all amounts in this report are stated in United States Dollars.

Results for announcement to the market

Year to 30 June	**2020 US$000**	**2019 US$000**	**Change US$000**	**Change %**
Revenue from ordinary activities	258	1,833	(1,575)	down 86%
Loss from ordinary activities	(3,513)	(4,765)	1,252	down 26%
Loss for the period attributable to members	(3,513)	(4,765)	1,252	down 26%
Basic EPS – US cents per share (loss)	(2.8)	(5.7)	-2.9	down 51%
Diluted EPS – US cents per share (loss)	(2.8)	(5.7)	-2.9	down 51%
Net tangible assets at 30 June (US cents per share	0.008	0.003	+.005	up 167%

Dividends

No dividends have been declared or paid in the current and previous financial period.

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CHANGE FINANCIAL LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2020

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CORPORATE DIRECTORY

Directors

Benjamin Harrison (Chairman)

Ian Leijer (Executive Director)

Harley Dalton

Company Secretary

Adam Gallagher

Registered Office

Change Financial Limited
Level 11, 82 Eagle Street
Brisbane QLD 4000

Email: investors@changefinancial.com

Postal Address

Change Financial Limited
GPO Box 5011
Brisbane QLD 4001

Australian Company Number

150 762 351

Australian Business Number

34 150 762 351

Auditors

Pitcher Partners
Level 38
345 Queen Street
BRISBANE QLD 4000
Telephone: +61 7 3222 8444
Fax: +61 7 3221 7779
Website: www.pitcher.com.au

Share Registry

Link Market Services Limited
Telephone: 1300 554 474
Website: www.linkmarketservices.com.au

Website

www.changefinancial.com

ASX Code

CCA

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CHAIRMAN & CEO'S LETTER

Dear Shareholders,

2020 has brought significant challenges to the world as a whole and, like all aspects of society, Change Financial has had to adapt.

Change Financial has proven to be resilient in adjusting to the changes in managing and operating our business in the 2020 climate. Change Financial has, for a number of years, had a 'Work from Home' Policy in place under our Business Continuity Plan and as such the transition by our entire team to remote working during lockdowns has proven to be relatively seamless.

Our thoughts and sympathies go to all those adversely affected by the events of the last year.

Change Platform

It has been a significant year for the Company, in completing the build of our payments processor and card issuing platform (**Platform**) and achieving critical milestones in late 2019 with PCI DSS Certification and Mastercard® Registration of our Platform. Our sincere thanks to our partners and an amazing Change team of dedicated professionals that realized our strategic business plans. Following this, we immediately commenced the commercialisation phase and onboarded the Platform's first customer in partnership with our U.S. banking partner, Central Bank of Kansas City (**CBKC**). Our focus is now set on securing new clients directly and in conjunction with CBKC who have identified a number of customers to onboard to Change's Platform in 2020 and 2021.

We believe that Change is extremely well placed to now start onboarding its pipeline of identified potential customers and also service the significant addressable market available to the Company. Industry tailwinds have also picked up and COVID-19 has been the catalyst in the move towards digital payments. Change is the critical infrastructure provider that connects existing licensed banks with modern API-driven brands (e.g. fintech's). This infrastructure layer is called Banking as a Service (**BaaS**).

Corporate Activity in the Payments and Card Issuing Space

The past year has seen corporate activity in the payments and card issuing space heating up. Some of the more notable transactions include, consumer financial services platform SoFi, who announced in April 2020 that it was acquiring payments and bank account infrastructure company Galileo for US$1.2 billion. Like Change, Galileo provides APIs that allow fintech companies to easily create bank accounts and issue physical cards, among myriad other services.

Further in May 2020, U.S.-based payments and card issuing fintech, Marqeta, raised US$150 million at a US$4.3 billion valuation ahead of a planned IPO at double that valuation. Marqeta and Afterpay also announced they have partnered to expand Afterpay's buy now, pay later presence in the U.S.

As one of the few U.S. payment and card issuing platform completed in recent years, Change is in a strong position to continue capitalising on the world's move to cashless, virtual and online payments that has also been accelerated by the COVID-19 pandemic. The Change Platform was built from the ground up to address today's payment needs without the complexity and legacy of traditional issuer processors and forms a key part of the payments infrastructure for products and companies offering cashless payments.

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Our Staff and Shareholders

We would also like to thank our staff, who have worked tirelessly, often remotely, and made many sacrifices for the Company to ensure the finalisation of our Platform and that customers continue to receive the level of customer service they have become used to from Change.

We would also like to extend a thanks to our supportive shareholders. The board is extremely positive on the future prospects of the business and we look forward to updating you on our continued success in achieving operational and financial milestones over the course of the next year.

Benjamin Harrison

Chairman

Alastair Wilkie

CEO

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DIRECTORS' REPORT

The Directors present their report together with the financial statements of Change Financial Limited (**Change Financial** or **Company**) consisting of Change Financial Limited and the entities it controlled at the end of or during the year ended 30 June 2020 (**Group**).

Directors

The following persons were Directors of Change Financial Limited during the whole of the financial year and up to the date of this report unless otherwise stated:

Benjamin Harrison (Chairman)
Ian Leijer
Harley Dalton
Teresa Clarke (resigned 30 June 2020)

Principal activities

The Group's principal continuing activity during the year was continuing the build of its payment processor and providing mobile banking services through its mobile application.

Background on Company and Review of Operations

Development of its payment and card issue platform

During the year the Company hit significant milestones in relation to its payments and card issuing platform (**Platform**). The Company received final PCI DSS sign off and Mastercard® Registration of its Platform. The first customer then launched on the Platform in partnership with Change's U.S. sponsor bank. This was the first step in commercialising and generating first revenues from the Platform.

About Change Platform

The Change Platform is PCI DSS certified and Mastercard registered which allows the Company to offer Banking as a Service (**BaaS**) to its customers.

The Platform includes the following features:

> **Program Dashboard** – manage payment programs in real-time and configure program and account settings such as transaction limits and fees charged on an individual customer level.
>
> **Data Insights Dashboard** – access to data rich information customers need to understand how their programs are performing. Allowing real-time insights that support day-to-day operations and drive growth.
>
> **API Connectivity** – built for connecting and exposing digital assets providing the speed customers are seeking to roll out programs and new features. This allows delivery of customers' projects faster than ever before while also building infrastructure to increase productivity.
>
> **Dynamic Controls** – refine payments and authorisation controls using a variety of business rules in real-time to reduce fraud. Includes controlling excess spending and other unwanted behaviour.

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Banking as a Service – fully white-labelled customer banking application that allows banks, credit unions and other providers without a mobile strategy to offer innovative mobile banking applications under their own brand.

Mastercard Processor – payment processing capability built on Mastercard's new network gateway.

Revenue Model

Customers are all different and revenue lines vary depending on the customer's payments and product offering. Change can earn revenue from its customers in the following ways:

Set Up and Services	Customers are charged one-time set-up fees to onboard to Change's Platform and Systems Maintenance fees along with Customer Technical Support are chargeable recurrent services.
Processing Fees	Change's Platform provides the payments infrastructure and a connection to the global payment rails Change earns a fee from its customer for payment authorisation, funds transfers, API calls and card loads.
Non-Financial Transactions	Our Platform provides a number of services beyond processing payments and earns fees for card printing and production, SMS, XML, email messaging/notifications and record updates.
Platform Recurring Software License Fees	The Change platform provides its customers with support and program dashboards including data insights to manage their payments products with real-time data and access. Fees are earned on a monthly recurring revenue basis per customer and user over the life of our contracts.
White Label App and Technology Fees	Digital driven customer experiences are now the new normal and our platform provides a consumer facing mobile app that our clients are able to white-label for their end users running on the Change Platform. Fees are earned on a monthly recurring revenue basis over the life of our contracts.
Risk and Operations Management	The Change Platform includes Decision Intelligence (DI) solution, a real-time authorization decisioning solution to approve genuine transactions. Change also monitors and executes recurrent security risk processes including Office of Foreign Assets Control (OFAC) along with key functions such as disputes and chargebacks. These Risk Management Solutions attract ongoing fees.
Professional Services	Change provides clients with the necessary resources for business analysis, custom engineering development and issue investigation (e.g. a client may want to offer a new payment product or service to their end user that requires a customization or a new engineering requirement on the payment rails.)
Value added Services	Customer support services provided directly or through third parties, including telephone and online access to customer support agents and Interactive Voice Response (IVR) technology.

Sponsorship of Falls Fintech

During the year Change become a partner and sponsor of the Falls Fintech Accelerator program, an initiative of "Central Payments" the payments division CBKC. Change joins other partners and sponsors including industry leaders Mastercard, Discover and Ubiquity.

As an Advocate sponsor, Change will play an active role in the program, and as a result have direct access to emerging new payments businesses and fintech's. Falls Fintech is a versatile, product-focused program created to accelerate market availability of innovative financial products from promising early-stage fintech's. Sponsored by Central Payments, the fastest-growing prepaid and debit card issuer in the US, Falls Fintech provides a tailored 10-week curriculum that exposes fintech's to a bundling of subject matter experts and mentorship from a network of best-in-class payments partners.

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Successful Capital Raising

During the year the Company executed on a number of successful capital raising initiatives. As announced on 1 April 2020, the Company and Central Bank of Kansas City (**CBKC**), entered into a Subscription Agreement whereby CBKC agreed to make an initial investment of US$0.25 million in Change. In addition, CBKC and the Company have also signed a non-binding term sheet where CBKC can make further investments in the Company of up to US$2.75 million. CBKC has completed its initial investment of US$0.25 million and discussions to finalise the further investment are ongoing.

The Company also completed a A$5.14 million Entitlement Offer. The Company received applications from Eligible Shareholders and investment commitments from sophisticated and professional shareholders, including Directors, for the full raising amount.

Options exercised

During the year 4,000,000 ordinary shares were issued during the Financial Year pursuant to the exercise of options.

Matters subsequent to the end of the financial year

There were no matters subsequent to the end of the Financial Year other than as disclosed in Note 33.

Likely developments and expected results of operations

Refer to the Review of Operations for further details.

Information on directors

Benjamin Harrison (Chairman)

Experience and expertise

Ben has extensive experience in advising and investing in companies. He commenced his career as a project manager for a large international engineering consulting firm working on a number of infrastructure projects in Australia and Southeast Asia. He later moved into investment banking, working for a leading corporate advisory house where over a 5-year period he executed over $2.0 billion in capital market transactions and $5.5 billion of public M&A transactions. Ben is active in the venture capital, private equity and private credit sectors. He currently holds board and advisory roles for a number of private companies.

Special responsibilities

Chair of the Audit & Risk Committee

Other current ASX directorships

Nil

Former ASX directorships in last 3 years

Nil

Interests in shares and options

1,420,670 shares in Change Financial Limited (1,300,000 acquired since year end)

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Harley Dalton (Non-Executive Director)

Experience and expertise

Harley has over 20 years' experience in investments and the funds management industry. His key background and capabilities include leadership, strategy, negotiation and operational management. He has been actively involved in taking a number of business to publicly listed status in the Australian share market, providing capital raising, structuring, debt, equity; and board composition advice in this process.

Harley is currently a Director of Altor Capital. Prior to this he was the founder and CEO of Dalton Nicol Reid up to 2014, one of Australia's leading and recognised Australian Equities fund managers. He grew the business from start up to circa AUD $1billion in assets under management prior to his exit. Dalton Nicol Reid manages money on behalf of retail, wholesale and institutional clients both domestically and internationally.

Harley has a Bachelor of Science from Griffith University, a Graduate Diploma in Applied Finance and Investment and is a member of The Australian Institute of Company Directors.

Other current ASX directorships

None

Former ASX directorships in last 3 years

None

Special responsibilities

Member of the Audit & Risk Management Committee

Interests in shares and options

2,304,470 shares in Change Financial Limited held beneficially (1,500,000 acquired after year end and 3,000,000 held non beneficially acquired after year end).

Harley is a director of Altor Capital Pty Ltd (**Altor**). Altor Capital Management Pty Ltd (**Altor Capital Management**), a wholly owned subsidiary of Altor, held convertible notes in the Company until the notes were converted to ordinary shares in May 2020. Altor Capital Management held the notes as a representative noteholder and security trustee holding convertible notes on behalf of unrelated investors.

Ian Leijer (Executive Director)

Experience and expertise

Ian has been closely involved with Change Financial since its inception.

Ian is a Chartered Accountant with over 25 years' experience in financial analysis, corporate transactions, business strategy and business management. He was CFO and Company Secretary for over 10 years of former ASX listed company Avatar Industries Limited which operated globally in a number of diverse industries including mining services, electronics distribution, fabrication of building products and printing. Ian started his career with Price Waterhouse specialising in corporate transactions and valuations before joining a boutique investment bank.

Ian currently works with a number of entities on business analysis, capital raising (debt & equity) and general management. Ian also holds a Bachelor of Economics from the University of Sydney, Australia.

Other current ASX directorships

None

Former ASX directorships in last 3 years

None

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Special responsibilities
None

Interests in shares and options
4,072,529 shares in Change Financial Limited.

Company secretary
The Company secretary is Mr Adam Gallagher.

Meetings of directors

The numbers of meetings of the Company's board of Directors and of each board committee held during the year ended 30 Jun 2020, and the numbers of meetings attended by each Director were:

	Full meetings of directors		**Audit & Risk Committee meetings**	
	Number attended	Number eligible to attend	**Number attended**	**Number eligible to attend**
Ben Harrison	10	11	3	3
Harley Dalton	11	11	3	3
Ian Leijer [1]	11	11	3	3
Teresa Clarke	10	11	3	3

[1] Mr Leijer attended the Audit & Risk Committee meeting by invitation

Remuneration report (audited)

The Directors are pleased to present your Company's 2020 remuneration report which sets out remuneration information for Change Financial Limited's non-executive Directors, executive Directors and other key management personnel.

Non-executive director remuneration policy

The shareholders of Change Financial Limited on 11 August 2015 approved, for the purposes of the ASX Listing Rules and the Group's Constitution, an increase in the maximum aggregate annual non-executive directors' fees to A$500,000, with such fees to be allocated to the non-executive directors as the board of directors may determine.

Executive remuneration policy and framework

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives and the creation of value for shareholders and conforms with market practice for delivery of reward.

The board ensures that executive reward satisfies the following key criteria for good reward governance practices:

- competitive and reasonable, enabling the company to attract and retain key talent;
- aligned to the company's strategic and business objectives and the creation of shareholder value;
- performance linkage / alignment of executive compensation;
- transparent;

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- acceptable to shareholders;
- alignment to shareholders' interests;
- attracts and retains high calibre executives;
- alignment to program participants' interests;
- rewards capability and experience; and
- provides recognition for contribution.

The executive remuneration and reward framework has two components:
- base pay and benefits, including superannuation; and
- long term incentives.

(a) Elements of remuneration Base pay and benefits

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for executives is reviewed annually to ensure the executive's pay is competitive with the market. An executive's pay is also reviewed on promotion.

There are no guaranteed base pay increases included in any executives' contracts.

(b) Details of remuneration

Details of the remuneration of the directors, the key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) of Change Financial Limited and the Group are set out in the following tables.

The key management personnel of Change Financial Limited includes the directors as listed below:

- Teresa Clarke (Chair - resigned 30 June 2020)
- Ben Harrison (Non-Executive Director) (Chairman from 1 July 2020)
- Harley Dalton (Non-Executive Director)
- Ian Leijer (Executive Director)

In addition to the directors the following executives that report directly to the Board are key management personnel:

- Alastair Wilkie (Chief Executive Officer – appointed 25 October 2019)
- Clayton Fossett (Chief Operating Officer)

The following table shows details of the remuneration expense recognised for the Group's executive key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

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2020

Name	Short Term Benefits		Post-Employment Benefits	Long term benefit	Share based payments	Total
	Cash salary and fees US$	Non-Monetary Benefits US$	US$	US$	US$	US$
Non-executive directors						
Teresa Clarke[1]	47,006	-	-	-	-	47,006
Harley Dalton[3]	59,816[3]	-	-	-	-	59,816
Ben Harrison[3]	59,816[3]	-	-	-	-	59,816
Subtotal	**166,638**	**-**	**-**	**-**	**-**	**166,638**
Executive directors						
Ian Leijer	68,047	-	-	-	-	68,047
Subtotal	**68,047**	**-**	**-**	**-**	**-**	**68,047**
Key Management						
Alastair Wilkie[2]	111,535	-	10,018	-	127,511	249,064
Clayton Fossett	210,596	10,763	-	-	34,894	256,253
Subtotal	**322,131**	**10,763**	**10,018**	**-**	**162,405**	**505,317**
Total	**556,816**	**10,763**	**10,018**	**-**	**162,405**	**740,002**

[1] Ms Clarke resigned effective 30 June 2020
[2] Mr Wilkie was appointed 25 October 2019
[3] Includes US$24,371 each of management & consulting services. Refer to section (e) below

2019

Name	Short Term Benefits		Post-Employment Benefits	Long term benefit	Share based payments	Total
	Cash salary and fees US$	Non-Monetary Benefits US$	US$	US$	US$	US$
Non-executive directors						
Teresa Clarke	34,773	-	-	-	-	34,773
Harley Dalton	17,695	-	-	-	-	17,695
Ben Harrison	17,695	-	-	-	-	17,695
Andrew Pipolo[2]	8,570	-	-	-	-	8,570
Peter Clare[3]	10,043	-	-	-	-	10,043
Subtotal	**88,776**	**-**	**-**	**-**	-	**88,776**
Executive directors						
Teresa Clarke[1]	200,000	-	-	-	-	200,000
Ashley Shilkin[4]	90,726	11,154	-	-	(290,571)	(188,691)
Ian Leijer	102,471	-	-	-	-	102,471
Subtotal	**393,197**	**11,154**	**-**	-	(290,571)	**113,780**
Key Management						
Clayton Fossett	180,011	7,765	-	-	21,308	209,084
Young Lee[5]	62,200	14,666	-	-	(19,030)	57,836
Subtotal	**242,211**	**22,431**	**-**	**-**	**2,278**	**266,920**
Total	**724,184**	**33,585**	**-**	**-**	**(288,293)**	**469,476**

[1] Ms. Clarke served in an executive capacity from 1 Sep 2018 to 31 Dec 2018

[2] Mr Pipolo resigned 30 September 2018

[3] Mr Clare resigned 31 August 2018

[4] Mr Shilkin resigned 11 December 2018

[5] Mr Lee resigned 31 December 2018

The value of options issued to directors and employees as remuneration is expensed over the vesting period which may be a number of years. Therefore, the amount for share based payments is not a cash expense and represents the expense recognised in that financial year for options granted as remuneration in that year and prior years. Negative amounts are the options forfeited but not yet vested at the time of forfeiture.

No amounts of remuneration are performance related

(c) Service agreements

Ian Leijer (Executive Director)

- Services provided through Unimain Pty Ltd (**Unimain**);
- Term of agreement – 6 months unless terminated given one month's notice, automatically extended for additional periods of one month each until terminated or a new agreement is entered into;
- Unimain receives a consulting fee of A$2,000 per day for services provided by Mr Leijer with a minimum of A$72,000 per annum; and
- Unimain is entitled to reimbursement of specified expenses incurred in providing services.

Harley Dalton (Non-Executive Director)

- Term of agreement – no fixed term;
- Annual fee of A$50,000 payable monthly on pro rata basis; and
- Reimbursement of specified expenses incurred in undertaking the role.
- Payment for services outside the normal scope of the ordinary duties of the director at a rate of A$2,000 per day.

Ben Harrison (Non-Executive Chairman)

- Term of agreement – no fixed term;
- Annual fee of A$50,000 payable monthly on pro rata basis;
- Reimbursement of specified expenses incurred in undertaking the role;
- Payment for services outside the normal scope of the ordinary duties of the director at a rate of A$2,000 per day.

Alastair Wilkie (CEO)

- Term of agreement – no fixed term;
- Base salary of A$260,000 per annum (including statutory superannuation contributions) which is reviewed annually;
- Initial grant of options (details in subsection (d) below);
- Entitled to reimbursement of specified expenses incurred in his employment.

Clayton Fossett (COO)

- Term of agreement – no fixed term;
- Base salary of $215,000 per annum which is reviewed annually;
- Entitled to reimbursement of specified expenses incurred in his employment;
- Can participate under the Company ESOP;
- Employment can be terminated giving four months' notice in writing; and
- Mr Fossett is employed under the laws of the State of California, US.

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(d) Equity instrument disclosures relating to key management personnel

(i) Options issued to Key Management Personnel as remuneration

The following options were issued to Alastair Wilkie on 28 October 2019:

Tranche	Expiry	Term (years)	Strike Price A$	Fair Value at Grant Date A$	Number	Vesting Conditions	% Vested At 30 June 20
Tranche 1	28 Oct 2022	3	0.001	0.219	500,000	Yes	Nil%
Tranche 2	28 Oct 2022	3	0.200	0.113	1,000,000	Yes	Nil%
Tranche 3	28 Oct 2022	3	0.260	0.098	1,000,000	Yes	Nil%
Tranche 4	28 Oct 2022	3	0.320	0.086	1,000,000	Yes	Nil%
Total					**3,500,000**		

The vesting conditions for the options are set out as follows:
Tranche 1 & 2: Completion of one year's employment
Tranche 3: After 10 customers have onboarded
Tranche 4: When the Company is at operation breakeven

The following options were issued to Clayton Fossett effective 5 December 2019 (ratified by the Board on 20 August 2020:

Number	Expiry	Term (years)	Strike Price A$	Fair Value at Grant Date A$	Number	Vesting Conditions	Vested At 30 June 20
Tranche 1	5 Dec 2022	3	0.200	0.043	750,000	Vest immediately	100%

(ii) Option Holdings

The numbers of options in the Company held during the financial year by each Director of Change Financial Limited and other key management personnel of the Group, including their personally related parties, are set out below.

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2020

Name	Balance at the start of the period	Granted during the year	Lapsed and Forfeited during the year	Balance at the end of the period	Total Vested at 30 June 20	Exercisable at 30 June 20	Unexercis-able at 30 June 20
Directors							
Ben Harrison	-	-	-	-	-	-	-
Harley Dalton	-	-	-	-	-	-	-
Ian Leijer	-	-	-	-	-	-	-
Teresa Clarke	-	-	-	-	-	-	-
Other key management							
Clayton Fossett	450,000	750,000	(350,000)[1]	850,000	850,000	850,000	-
Alastair Wilkie	-	3,500,000	-	3,500,000	-	-	3,500,000

[1] Options which lapsed had been granted on 10 January 2017

2019

Name	Balance at the start of the period	Granted during the year	Lapsed & forfeited during the year [1]	Balance at the end of the period	Total Vested at 30 June 19	Exercisable at 30 June 19	Unexercis-able at 30 June 2019
Directors							
Peter Clare	450,000	-	(450,000)	-	-	-	-
Ashley Shilkin	3,500,000	-	(3,500,000)	-	-	-	-
Ian Leijer	250,000	-	(250,000)	-	-	-	-
Teresa Clarke	250,000	-	(250,000)	-	-	-	-
Andrew Pipolo	250,000	-	(250,000)	-	-	-	-
Other key management							
Clayton Fossett	550,000	-	(100,000)	450,000	366,667	366,667	83,333

[1] Options which lapsed were forfeited or otherwise expired had been granted on 18 April 2016

No option holder (Key Management Personnel or otherwise) has any right under the options to participate in new issues of securities in the Company made by the Company to its shareholders generally. In the event of a reconstruction of the capital of the Company or an issue of Bonus shares the option strike price, and/or the number of options will be adjusted such that no benefit is gained or lost by option holders as a result of that reconstruction or bonus share issue.

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(iii) Share holdings

The numbers of shares in the Company held during the financial year by each Director of Change Financial Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

Year to 30 June 2020	**Balance at the start of the period**	**Balance at appointment/ (resignation)**	**Purchased**	**Balance at the end of the period**
Directors of Change Financial Limited				
Harley Dalton	402,235	-	402,235[2]	804,470
Ben Harrison	60,335	-	60,335[2]	120,670
Ian Leijer	3,072,529	-	1,000,000[2]	4,072,529
Teresa Clarke	-	-	-	-
Other key management personnel of the Group				
Clayton Fossett	38,800	-	-	38,800
Alastair Wilkie	-	-	3,643,644[1]	3,643,644

[1] Including shares received on conversion of convertible notes
[2]Issued as part of the entitlement offer

Year to 30 June 2019	**Balance at the start of the period**	**Balance at appointment/ (resignation)**	**Purchased**	**Balance at the end of the period**
Directors of Change Financial Limited				
Harley Dalton	-	335,156	67,039	402,235
Ben Harrison	-	43,668	16,667	60,335
Ian Leijer	2,872,529	-	200,000	3,072,529
Teresa Clarke	-	-	-	-
Peter Clare	500,000	(500,000)	-	-
Ashley Shilkin	11,901,965	(11,901,965)	-	-
Andrew Pipolo	-	-	-	-
Other key management personnel of the Group				
Young Lee	-	-	-	-
Clayton Fossett	38,800	-	-	38,800

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(e) Other Transactions with Key Management Personnel

The following transactions with key management personnel and their associated entities:

A director, Mr H Dalton is a director and controlling shareholder of Altor Capital Pty Limited which wholly owns Altor Advisory Partners Pty Limited (**AAP**). The Company engaged AAP to act as lead manager and arranger for Change's capital raising during the year. The contract was based on normal commercial terms and conditions. The Company also engaged AAP to provide accounting and bookkeeping services. These services were provided on normal commercial terms. Also during the year Mr Dalton provided management and consultancy services to the Company beyond the scope of his role as a director. The Company paid AAP for the services of Mr Dalton on normal commercial terms and this amount is included in the amount paid to Mr Dalton in subsection (b) above.

A director, Mr Benjamin Harrison is CIO of Altor Capital Limited and was the nominated appointee of Altor in 2018 when Mr Harrison joined the Board. During the year Mr Harrison provided management and consultancy services to the Company beyond the scope of his role as a director. The Company paid AAP for the services of Mr Harrison on normal commercial terms and this amount is included in the amount paid to Mr Harrison in subsection (b) above.

Transactions with Key Management Personnel	**2020 US$**	**2019 US$**
Amounts recognised as expense		
Accounting and book keeping fees	10,091	-
Amounts recognised in equity (cost of funds raised)		
Capital raising & management fees	256,184	-

(f) Additional Information

The table below shows for the current year and prior years since listing the total remuneration cost of the key management personnel, earnings per share (EPS), dividends paid or declared, and the closing price of ordinary shares on ASX at year end

Financial Year	**Total Remuneration US$**	**EPS US$**	**Dividends cents**	**Share Price $A**
2016	2,154,698	(0.229)	0.0	0.56
2017	1,448,892	(0.135)	0.0	0.57
2018	995,515	(0.124)	0.0	0.67
2019	469,476	(0.057)	0.0	0.049
2020	740,002	(0.028)	0.0	0.105

End of Remuneration Report

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Shares under option

Unissued ordinary shares of Change Financial Limited under option at the date of this report are as follows;

Grant Date	Expiry	Strike Price	Number
1 Apr 2015	20 Oct 2020	A$0.49	100,000
18 Jan 2018	31 Jan 2021	A$0.92	400,000
28 Oct 2019	28 Oct 2022	A$0.001	500,000
28 Oct 2019	28 Oct 2022	A$0.20	1,000,000
28 Oct 2019	28 Oct 2022	A$0.26	1,000,000
28 Oct 2019	28 Oct 2022	A$0.32	1,000,000
5 Dec 2019	5 Dec 2022	A$0.20	750,000
TOTAL			**4,750,000**

4,000,000 ordinary shares were issued during the year as a result of the exercise of options. Theses options had been granted on 12 December 2018 with a strike price of A$0.01 No shares have been issued since year end as a result of the exercise of options.

Indemnity and Insurance of officers

Insurance of officers

During the financial year, the Group paid a premium in respect of a contract insuring the directors of the company (as named above), the company secretary, and all executive officers of the company and of any related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Group has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the company or of any related body corporate against a liability incurred as such an officer or auditor.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of amounts paid or payable to the auditor for non-audit services provided during the year are outlined at note 28 to the financial statements. Based on advice provided by the Audit and Risk Management Committee, the Directors have formed the view that the provision of non-audit services is compatible with the general standard of independence for auditors, and that the nature of non-audit services means that auditor independence was not compromised.

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Dividends - Change Financial Limited

The Directors of Change Financial Limited do not recommend the payment of a dividend for the year ending 30 June 2020 (2019: $Nil).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 20.

Auditor

Pitcher Partners continues in office in accordance with section 327 of the Corporations Act 2001.
This report is made in accordance with a resolution of Directors, pursuant to section 298(2) of the Corporations Act 2001.

Dated 31 August 2020

Benjamin Harrison
Chairman

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PITCHER PARTNERS

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

The Directors
Change Financial Ltd
Level 11, 82 Eagle Street
Brisbane QLD 4000

Auditor's Independence Declaration

In relation to the independent audit for the year ended 30 June 2020, to the best of my knowledge and belief there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001*; and

(ii) no contraventions of APES110 *Code of Ethics for Professional Accountants (including Independence Standards)*.

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

Pitcher Partners

PITCHER PARTNERS

DAN COLWELL

Partner

Brisbane, Queensland
31 August 2020

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CORPORATE GOVERNANCE STATEMENT

The Company is committed to implementing and maintaining good corporate governance policies.

Change Financial Limited's Corporate Governance Statement has been adopted and structured with reference to the Australian Securities Exchange (**ASX**) Corporate Governance Council - Corporate Governance Principles and Recommendations, 3rd Edition (**CGC Recommendations**). This statement reports against the CGC Recommendations.

The Company's practices are largely consistent with the CGC recommendations. Where the Company's corporate governance practices do not correlate with the CGC Recommendations, the Company is working towards compliance; however, the Board does not consider that all CGC Recommendations are currently appropriate for the Company due to the current size and scale and circumstances of its operations. The Board has offered full disclosure and reasons for the adoption of alternative Company practices and these are summarised in this Corporate Governance Statement.

The Board is of the view that with the exception of the departures from the CGC Recommendations 7777d below it otherwise complies with the CGC Recommendations.

The information in this statement is current as at 30 September 2019 and has been approved by the Board.

Principle 1 – Lay solid foundations for management and oversight

Functions, powers & responsibilities of the Board

The Board of Directors is pivotal in the relationship between shareholders and management and the role and responsibilities of the Board underpin the Company's corporate governance framework. Generally, the powers and obligations of the Board are governed by the Corporations Act and the general law.
Without limiting those matters, the Board expressly considers itself responsible for the following:

- ensuring compliance with the Corporations Act, ASX Listing Rules (where appropriate) and all other relevant laws;
- providing leadership and developing, implementing and monitoring strategic operational and financial objectives for the Company and the overall performance of the Company;
- appointing appropriate staff, consultants and experts to assist in the Company's operations;
- ensuring appropriate financial and risk management controls are implemented;
- setting, monitoring and ensuring appropriate accountability and a framework for remuneration of Directors and executive officers;
- establishing and overseeing the Company's process for making timely and balanced disclosure of all material information in accordance with the ASX Listing Rules;
- implementing appropriate strategies to monitor performance of the Board in implementing its functions and powers;
- implementing and overseeing the Company's risk management framework to enable risk to be identified, assessed and managed and to set the risk appetite the Board expects Management to operate within;
- appointing the Chairperson;
- appointing and removing the Chief Executive Officer and Company Secretary;
- approving the appointment and, where appropriate, removal of members of Management;
- contributing to and approving Management's development of corporate strategy and performance objectives;
- monitoring Management's implementation of strategy and performance generally, and ensuring appropriate resources are available to Management;

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- monitoring the effectiveness of the Company's governance practices;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- approving the annual budget;
- liaising with the Company's external auditors;
- approving and monitoring financial and other reporting systems of the Company (including external audit) and the integrity of these systems; and
- appointing and overseeing Committees where appropriate to assist in the above functions and powers.

The Board has delegated to the Executive Chair day to day responsibility for running the affairs of the Company and to implement the policies and strategy set by the Board. The Board also delegates to senior management the responsibilities for the day-to-day activities leading toward achievement of the Company's strategic direction within agreed boundaries and authority limitations.

Structure of the Board

The policy and procedures for the selection and appointment of new Directors is that candidates are considered and selected by reference to a number of factors which include, but are not limited to, their relevant experience and achievements, and credibility within the Company's scope of activities. Directors are initially appointed by the full Board subject to election by shareholders at the next Annual General Meeting.

The Company has procedures in place to ensure that all material information in its possession relevant to a decision to elect or re-elect a Director (including whether Directors support the election or re-election) is disclosed in the notice of meeting provided to shareholders.

At each Annual General Meeting the following Directors automatically retire and are eligible for re-appointment:

- any Director who has been elected in the office for a period in excess of three consecutive years or until the third annual general meeting following her/his appointment, whichever is longer, without submitting him/herself for re-election;
- any Director who was appointed by the Directors during the year to fill a casual vacancy or as an addition to the existing Directors;
- one-third of the Directors or, if their number is not a multiple of three, then the greatest of one or the number nearest to but not exceeding one-third.

Director and senior executive agreements

New Directors receive a letter of their appointment setting out the material terms of their engagement and a deed of indemnity, insurance and access. Non-executive Directors are not appointed for fixed terms. All senior executives, including Executive Directors, also have written agreements, which set out the material terms of engagement, including a description of position and duties, reporting lines, remuneration arrangements and termination rights and entitlements.

Contract details of senior executives, which are key management personnel, are summarized in the Remuneration Report in the Annual Report.

Company Secretary

The Company Secretary is accountable directly to the Board (through the Chairman) for facilitating the Company's corporate governance processes and the proper functioning of the Board. Each Director is entitled to access the advice and services of the Company Secretary.
In accordance with the Company's Constitution, the appointment and removal of the Company Secretary is a matter for the Board as a whole. A copy of the Constitution is available on the Company website under Corporate Governance and the details of the Company Secretary are set out in the Directors' Report contained within the Annual Report.

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Diversity

The Board has not adopted a formal Diversity Policy at this stage. The recruitment and selection processes adopted by the Company ensure that staff and management are selected in a non-discriminatory manner based on merit. The Company respects and values the competitive advantage of diversity (which includes but is not limited to gender, age, disability, ethnicity, marital or family status religious or cultural background), and the benefit of its integration throughout the Company in order to improve corporate performance, increase shareholder value and maximise the probability of achievement of the Company's goals. However, the Board of Directors does not believe that the Company is currently of a sufficient size to justify the establishment of formal and measurable objectives, having regard to the nature and scale of its activities.

Board reviews

The Company does not have a formal process for evaluating the performance of the Board, its committees and individual directors. Due to the Company's limited resources during the reporting period, no formal performance evaluation of the Board or its Committees was undertaken during the period.

In the normal course of events the Board informally reviews the performance of Directors and the Board as a whole.

The Board is provided with the information it needs to discharge its responsibilities effectively. All Directors have access to corporate governance policies and material contracts entered into by the Company. The Directors also have access to the Company Secretary for all Board and governance-related issues.

Management reviews

The Company did not during the reporting period have a formal process for periodically evaluating the performance of its senior executives and the Board did not conduct a formal performance evaluation of senior executives during the reporting period. The Board regularly informally reviews the performance of the Company's senior executives and assesses the achievement of goals and business development and evaluates compliance issues.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Nomination committee

The Board has not formally established a Nominations Committee as the Directors consider that the Board is not of a size nor are its affairs of such complexity as to justify the formation of this Committee. The Board considers that it is able to deal efficiently and effectively with Board composition and succession issues without establishing a separate Nomination Committee and in doing so, the Board will be guided by the Nomination Charter which is set out in the Company's Corporate Governance Charter and can be accessed on the Company's website under Corporate Governance. The Company will review this position annually and determine whether a Nominations Committee needs to be established.

Skills and experience

Details of the current Directors, their skills, experience and qualifications plus a record of attendance at meetings is included in the Directors' Report within the Annual Report.

The Company has established a Board Skills Matrix.

At this stage of the Company's development the Board believes there is an appropriate mix of skills, experience and diversity on the Board. However, the Board will continue to monitor its composition with a view to ensuring is has an appropriate mix of skills and diversity to enable it to discharge its responsibilities effectively.

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Independence and length of service

The Company's Board is comprised of Teresa Clarke, Harley Dalton, Benjamin Harrison and Ian Leijer. The Chair and the Board other than Ian Leijer are non-executive directors.

The length of service of each Director as at the date of this financial report is set out below and can be found in the Directors' Report within the Annual Report.

Name	Appointment date	Length of service
Ian Leijer	16 January 2015	67 months
Harley Dalton	11 December 2018	20 months
Benjamin Harrison	11 December 2018	20 months

Based on the factors listed in the CGC Recommendations as being relevant to assessing independence, the Board considers the directors not to be independent. Mr Leijer is considered not to be independent as he is retained in an executive capacity. Mr Dalton is not considered to be independent as a he is a director of Altor Private Equity Pty Ltd and shareholder of Altor Capital Pty Ltd who holds 100% of the shares in Altor Private Equity Limited and Altor Advisory Partners Pty Ltd. Mr Harrison is Chief Investment Officer of Altor Capital Pty Ltd and was the nominee of Altor Private Equity Limited to the Board in December 2018.

Principle 3 – Act ethically and responsibly

Code of conduct

The Company has established a Corporate Code of Conduct and Corporate Ethics Policy. The Codes require that Directors, management and employees maintain high standards of integrity and ensure that all business activities are conducted legally and ethically in compliance with the letter and spirit of both the law and Company policies. The Code of Conduct and Ethics Policy is set out in the Company's Corporate Governance Charter and can be accessed on the Company's website under Corporate Governance.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING

Audit Committee

CGC recommendation 4.1 states that the audit committee should consist of a majority of independent Directors and all be non-executive Directors.

Given the small size of the Board, the Board did not have a separate Audit and Risk Management Committee during 2019. The Board as a whole, discharged the responsibilities normally undertaken by the Audit Committee as set out in the Audit and Risk Committee Charter.

The Company believes that given the size and scale of its operations, non-compliance by the Company will not be detrimental to the Company.

The Company has adopted an Audit and Risk Management Committee Charter setting out the Committee's responsibilities once a Committee is re-established as well as reporting requirements. A copy of the Charter is included in the Corporate Governance Charter and can be accessed on the Company's website under Corporate Governance.

The responsibilities of the Audit and Risk Management Committee, once re-established, with respect to audit are to:

- review and make recommendations to the Board in relation to whether the Company's financial statements reflect the understanding of the members of the Committee, and otherwise provide a true and fair view of the financial position and performance of the Company;

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- review and make recommendations to the Board in relation to the appropriateness of the accounting judgments or choices exercised by Management in preparing the Company's financial statements;
- ensure that the quality of financial controls is appropriate for the business of the Company;
- review the scope, results and adequacy of external and internal audits;
- require the external auditors to report to the Committee;
- monitor corporate conduct and business ethics and ongoing compliance with laws and regulations;
- maintain open lines of communication between the Board, Management and the external auditors, thus enabling information and points of view to be freely exchanged;
- review matters of significance affecting the financial welfare of the Company;
- ensure that systems of accounting and reporting of financial information to shareholders, regulators and the general public are adequate and making recommendations in this regard;
- review the Company's internal financial control system;
- consider and make recommendations regarding the appointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor;
- monitor and review the external auditor's independence, objectivity and effectiveness, taking into consideration relevant professional and regulatory requirements and the performance of the external auditor; and
- develop and implement policy on the engagement of the external auditor to supply non-audit services, taking into account relevant ethical guidance regarding the provisions of non-audit services by the external audit firm and make recommendations on any proposal by the external auditor to provide non-audit services.

External auditor

Pitcher Partners was appointed as the Company's external auditor by shareholders at a General Meeting held on 30 November 2015. Pitcher Partners has advised the Company that their policy of audit partner rotation requires a change in the lead engagement partner and review partner after a period of five years.

Representatives of Pitcher Partners attend the Annual General Meeting and are available to answer shareholder questions regarding the audit or the individual statements.

Chief Executive Officer and Chief Financial Officer certification of financial statements.

Prior to the approval of the Group's financial statements each year, the Chief Executive Officer and the Finance Director (acting in the function of Chief Financial Officer) confirm in writing to the Board that the financial reports of the Company for the financial year:

- present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards;
- the statement given in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting risks.

Principle 5 – Make timely and balanced disclosure

Disclosure and Communications Policy

The Company has adopted a Continuous Disclosure Policy within its Corporate Governance Charter to ensure compliance with the continuous disclosure requirements of the ASX Listing Rules and the *Corporations Act 2001*. The policy sets out the rules and procedures for ASX information disclosure, the responsibility of the Board, Senior Executives and staff to ensure that price sensitive information is identified, reviewed by management and disclosed to the ASX in a timely, clear and objective manner and

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that all information provided to the ASX is posted on the Company's website as soon as possible after its disclosure to ASX.

The Company Secretary is responsible for communications with, and coordinating disclosure of information to, the ASX.

Directors will receive copies of all announcements released to the ASX and copies of announcements, including related information, such as financial statements and public presentations, and are aware of and accountable for the Company's compliance with regard to continuous disclosure.

Respect the rights of security holders

Shareholder Communication

The Company is committed to informing shareholders of all major developments affecting the operations of the Company and the state of its affairs. Communications with shareholders include:

- The annual report which is distributed, or otherwise made available, to all shareholders;
- The quarterly activities report;
- The half-year financial report;
- The Annual General Meeting and other general meetings called to obtain shareholder approval for significant corporate actions, as appropriate;
- Company announcements; and
- All of the information available on the Company's website www.changefinancial.com

The Company welcomes questions from shareholders at any time and these are answered unless the information requested is market sensitive and not in the public domain. All announcements to be made by the Company to the ASX (except disclosures of a routine compliance or administrative nature) will be posted to the Company's website.

Information about the Company and its operations including information about the Company's corporate governance policies is located at: www.changefinancial.com

Facilitate participation at meetings of security holders.

The Company encourages shareholder participation at its AGMs including by making notices of meetings available on its website. The Company's external auditor attends the Company's AGMs and is available to answer any questions which shareholders may have about the conduct of the external audit for the relevant financial year and the preparation and content of the audit report.

Shareholders who are unable to attend meetings of the Company are encouraged to participate in meetings by way of appointment of a proxy.

Principle 7 – Recognise and manage risk

Risk committee

The Board as a whole has undertaken the responsibilities of the Audit and Risk Management Committee which are set out in the Audit and Risk Management Committee Charter. A copy of the Charter is included in the Corporate Governance Charter and can be accessed on the Company's website under Corporate Governance.

The responsibilities of the Board with respect to risk management are to:

- review the adequacy of the Company's processes for managing risks, including:
  (a) in relation to any incident involving fraud or other break down of the Company's internal controls;

(b) in relation to the Company's insurance program, having regard to the Company's business and the insurable risks associated with the business;

- ensure the development of an appropriate risk management policy framework that will provide guidance to Management in implementing appropriate risk management practices throughout the Company's operations, practices and systems and to oversee this framework;
- define and periodically review risk management as it applies to the Company and clearly identifying all stakeholders;
- ensure the Board clearly communicates the Company's risk management philosophy, policies and strategies to Directors, Management, employees, contractors and appropriate stakeholders;
- ensure that the Board and Management establish a risk aware culture which reflects the Company's risk policies and philosophies;
- review methods of identifying broad areas of risk and setting parameters or guidelines for business risk reviews;
- make informed decisions regarding business risk management, internal control systems, business policies and practices and disclosures; and
- consider capital raising, treasury and market trading activities with particular emphasis on risk treatment strategies, products and levels of authorities.

The responsibility for undertaking and assessing risk management and internal control effectiveness is delegated to management under the guidance of the Committee.

Internal audit

The Company does not have an internal audit function due to its current size. The Board gains sufficient assurance from management undertaking ongoing evaluation of the Company's internal control and risk management processes.

Sustainability risks

As a digital banking company, Change Financial faces inherent risks in its activities, primarily financial, operating and system risks but also including economic, environmental and social sustainability risks. The Board does not consider that it has material exposure to economic, environmental and social sustainability risks other than its exposure to general economic conditions in the markets in which it operates.

The Board regularly monitors the operational and financial performance of the Company's activities. It monitors and receives advice on areas of operation and financial risk and considers strategies for appropriate risk management.

Review of risk management framework

The Board did not conduct a formal review of the Company's risk management processes in the 2019 financial year. During the 2019 financial year the identification and evaluation of risks and the development and implementation of risk mitigation plans was undertaken by management with oversight from the Board.

Principle 8 – Remunerate fairly and responsibly

Remuneration committee.

The Board has not formally established a Remuneration Committee due to the small size of the Board.

The Board of Directors is responsible for determining and reviewing compensation arrangements for the Directors and the Executive team. The Board assesses the appropriateness of the nature and amount of remuneration of such officers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality Board and Executive team.

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Disclosure of Executive and Non-Executive Director Remuneration policy

The Constitution of the Company provides that the Non-Executive Directors are entitled to remuneration as determined by the Company in general meeting to be paid as to a fixed amount for each Director. Additionally, Non-Executive Directors are entitled to be reimbursed for properly incurred expenses. All Directors have the opportunity to qualify for participation in the Company's share option plan, subject to the approval of shareholders.

Details of the Company's remuneration arrangements for Non-Executive Directors, Executive Directors and senior Executives including fee rates are set out in the Remuneration Report in the Annual Report.

Share Trading Policy.

The Company's Share Trading Policy specifically prohibits Directors and senior executives from engaging in short-term trading in the Company's securities. The Policy also stipulates that Directors and senior executives and closely related parties not enter into transactions which limit the economic risk relating to unvested options held by Directors and Senior Executives. The Share Trading Policy is included in the Corporate Governance Charter and can be accessed on the Company's website under Corporate Governance.

FINANCIAL REPORT

These financial statements are the consolidated financial statements of the consolidated entity consisting of Change Financial Limited and its subsidiaries.

The financial statements are presented in the United States currency.

Change Financial Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 11, 82 Eagle Street
Brisbane QLD 4000

A summary of the Group's operations and its principal activities is included in the directors' report on page 5, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 31 August 2020. The Directors have the power to amend and reissue the financial statements.

Through the use of the internet, we have ensured that our corporate reporting is timely and complete. All press releases, financial reports and other information are available at our Shareholders' Centre on our website: www.changefinancial.com

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 30 June	Note	2020 US$	2019 US$
Revenue	4	258,312	1,833,301
Employee benefits expense		(1,684,449)	(1,958,503)
Advertising & marketing expense		(41,736)	(163,283)
Program Expenses		(125,964)	(655,102)
Professional services & insurance		(378,204)	(810,903)
Consulting		(485,911)	(538,694)
Technology & Hosting		(503,006)	(294,242)
Depreciation & amortisation expense	5	(12,481)	(175,369)
Impairment of software development	13	-	(891,944)
Finance Expense	5	(259,794)	(98,859)
Investment in associate – option cost		-	(250,000)
Other expense		(279,407)	(761,290)
Profit (loss) before tax		(3,512,640)	(4,764,888)
Income tax (expense) benefit	6	-	-
Profit (loss) from continuing operations		(3,512,640)	(4,764,888)

Basic loss per share (US cents per share)	21	(2.8)	(5.2)*
Diluted loss per share (US cents per share)	21	(2.8)	(5.2)*

*The number of shares for the 2019 comparative and up to the entitlement offer issue date have been adjusted for the effect of the entitlement offer.

The Group has initially applied AASB16 at 1 July 2019 using the modified retrospective approach. Under this approach comparative information is not restated and the cumulative effect of initially applying AASB16 is recognised in the accumulated losses (refer Note 1).

The consolidated statements above should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	2020 US$	2019 US$
Loss of the year		(3,512,640)	(4,764,888)
Other comprehensive income (loss)			
Items that may be reclassified to profit and loss			
Exchange differences on translation of parent operations		134,843	(109,296)
Total comprehensive income/(loss) from continuing operations		**(3,377,797)**	**(4,874,184)**

The Group has initially applied AASB16 at 1 July 2019 using the modified retrospective approach. Under this approach comparative information is not restated and the cumulative effect of initially applying AASB16 is recognised in the accumulated losses (refer Note 1).

The consolidated statements above should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June	**Notes**	**2020 US$**	**2019 US$**
Current assets			
Cash	7	2,966,200	1,464,976
Trade and other receivables	8	231,875	172,554
Lease receivable – current	12	161,980	-
Other current assets	9	5,563	-
		3,365,618	**1,637,530**
Assets held for resale	10	-	99,999
Total current assets		**3,365,618**	**1,737,529**
Non-current assets			
Property, plant & equipment	11	-	12,981
Lease receivables – non current	12	189,472	-
Intangible assets	13	1	1
Total non-current assets		**189,473**	**12,982**
TOTAL ASSETS		**3,555,091**	**1,750,511**
Current liabilities			
Trade and other payables	14	631,393	276,381
Provisions	15	154,285	121,354
Lease liabilities - current	12	153,287	-
Borrowings	16	-	1,050,447
Other current liabilities	17	111,165	-
Total current liabilities		**1,050,130**	**1,448,182**
Non-current liabilities			
Lease liabilities – non current	12	179,388	-
Total non-current liabilities		**179,388**	**-**
TOTAL LIABILITIES		**1,229,518**	**1,448,182**
NET ASSETS		**2,325,573**	**302,329**
EQUITY			
Contributed equity	18	34,767,894	29,582,499
Reserves	19	4,266,699	3,942,740
Accumulated losses	25	(36,709,020)	(33,222,910)
TOTAL EQUITY		**2,325,573**	**302,329**

The Group has initially applied AASB16 at 1 July 2019 using the modified retrospective approach. Under this approach comparative information is not restated and the cumulative effect of initially applying AASB16 is recognised in the accumulated losses (refer Note 1).

The consolidated statements above should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Contributed Equity US$	Reserves US$	Accumulated Losses US$	Total Equity US$
Balance at 30 June 2018	26,607,205	4,147,507	(28,458,022)	2,296,690
Profit (loss) for the year	-	-	(4,764,888)	(4,764,888)
Exchange differences on translation of the parent operation	-	(109,296)	-	(109,296)
Total comprehensive income for the year	-	(109,296)	(4,764,888)	(4,874,184)
Transactions with owners in their capacity as owners				
Options issued (note 32)	-	(95,471)	-	(95,471)
Contributions net of capital raising expenses (note 18)	2,975,294	-	-	2,975,294
Total	**2,975,294**	**(95,471)**	**-**	**2,879,823**
Balance at 30 June 2019	**29,582,499**	**3,942,740**	**(33,222,910)**	**302,329**
Balance at 1 July 2019	29,582,499	3,942,740	(33,222,910)	302,329
Adjustment of accumulated losses upon application of AASB16	-	-	26,530	26,530
Adjusted balance at 1 July 2019	**29,582,499**	**3,942,740**	**(33,196,380)**	**328,859**
Profit (loss) for the year	-	-	(3,512,640)	(3,512,640)
Exchange differences on translation of the Parent operation	-	134,843	- -	134,843
Total comprehensive income for the year	**-**	**134,843**	**(3,512,640)**	**(3,377,797)**
Transactions with owners in their capacity as owner				
Options issued (note 32)	-	189,116	-	189,116
Contributions net of capital raising expenses (note 18)	5,185,395	-	-	5,185,395
Total	5,185,395	189,116	**-**	**5,374,511**
Balance at 30 June 2020	**34,767,894**	**4,266,699**	**(36,709,020)**	**2,325,573**

The Group has initially applied AASB16 at 1 July 2019 using the modified retrospective approach. Under this approach comparative information is not restated and the cumulative effect of initially applying AASB16 is recognised in the accumulated losses (refer Note 1).

The consolidated statements above should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 June	Notes	2020 US$	2019 US$
Cash flow from operating activities			
Receipts from customers		4,102	379,182
Payments to suppliers and employees		(3,117,723)	(5,773,710)
Interest received		22,807	3,072
Interest paid		(22,456)	-
US Government grant – PPP program		230,000	-
R&D tax offset		14,224	-
Net cash used in operating activities	20	**(2,869,046)**	**(5,391,456)**
Cash flow from investing activities			
Distribution received		-	1,300,000
Proceeds from sale of property, plant & equipment		500	-
Payment for software development		-	(82,013)
Receipts from sublease excluding (interest received)		147,148	-
Proceeds from sale of Ivy Koin		200,000	-
Net cash provided by/(used in) investing activities		**347,648**	**1,217,987**
Proceeds from financing activities			
Proceeds from share issue		3,372,572	3,167,148
Proceeds from convertible note funding		951,391	-
Cost of funding		(218,405)	(191,854)
Proceeds from borrowings		-	1,264,744
Costs of establishing borrowing facilities		-	(112,638)
Payments of lease liabilities (excluding interest paid)		(139,395)	-
Net cash provided by financing activities		**3,966,163**	**4,127,400**
Net increase (decrease) in cash held		**1,444,765**	**(46,069)**
Reconciliation of cash			
Cash at the beginning of the financial year		1,464,976	1,665,967
Net increase (decrease) in cash held		1,444,765	(46,069)
Foreign exchange difference on cash holding		56,459	(154,922)
Cash and cash equivalents at end of the year	7	**2,966,200**	**1,464,976**

The Group has initially applied AASB16 at 1 July 2019 using the modified retrospective approach. Under this approach comparative information is not restated and the cumulative effect of initially applying AASB16 is recognised in the retained earnings (refer Note 1).

The consolidated statements above should be read in conjunction with the accompanying notes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

These financial statements are general purpose financial statements that have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with the other requirements of the law. Accounting Standards include Australian Accounting Standards.

The principal accounting policies adopted in preparing the financial report of the Company and its consolidated entities (Consolidated Entity or Group) for the year ended 30 June 2020 are stated to assist in a general understanding of the financial report. For the purposes of preparing the financial report the Company is a for profit entity.

Change Financial Limited is a company limited by shares incorporated in Australia whose share are publicly traded on the Australian Securities Exchange.

(a) Compliance with IFRS

The Consolidated Financial Report of Change Financial Limited complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(b) Basis of Preparation

The Consolidated Financial Report of Change Financial Limited has been prepared under the historical cost convention. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in United States dollars, unless otherwise noted.

(c) Application of new and revised Accounting Standards

The Group has adopted all new and amended Australian Accounting Standards and Australian Accounting Standards Review Board (AASB) interpretations that are mandatory for the current reporting period and relevant to the Group. Other than AASB 16 (refer note (d)) adoption of these standards and interpretations had not resulted in any material changes to the Group's half year financial report.

(d) Adjustment recognised on adoption of AASB 16

AASB 16 Leases supersedes AASB 117 Leases. AASB 16 introduces a single lessee accounting model and eliminates the classification between operating and finance leases. All leases are required to be accounted for "on balance sheet" by lessees, other than for short-term and low value asset leases. The standard also provides new guidance on the definition of a lease and on sale and leaseback accounting and requires new and different disclosures about leases.

The Group has adopted AASB 16 on 1 July 2019 using the modified retrospective approach. Under this approach, comparative information is not restated and the cumulative effect of initially applying AASB 16 is recognised in retained earnings/(accumulated losses).

The Group's leasehold properties comprise one office leases which has previously been classified as an operating lease. In addition, the Group has entered into a back-to-back property sublease for that office lease. Under this arrangement the cash flows substantially offset each other.

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From 1 July 2019 the Group recognises a right-of-use asset (ROU) and a lease liability at the commencement date which is initially measured on a present value basis. For back-to-back leases, however, as the term of the sublease is for the whole of the remaining term of the head lease, the ROU is derecognised and a lease receivable is recognised for the lease payments receivable.

Lease liabilities / receivables recognised on implementation of AASB 16 as 1 July 2019:

As at 1 July 2019 (US$)	**Lease Receivable**	**Lease Liability**
Current	148,621	140,716
Non-current	349,980	331,355
Total	**498,601**	**472,071**

The net impact of the implementation of US$26,530 has been recognised directly in retained earnings/(accumulated losses).

During the year ended 30 June, finance costs arising from lease payments amounted to US$20,232 and interest revenue arising from lease receipts amounted to US$19,444.

Reconciliation of operating lease commitments to lease liabilities at transition date
The following table reconciles the Group's operating lease commitments at 30 June 2019 to the lease liabilities recognised upon transition at 1 July 2019:

As at 1 July 2019	**$US**
Operating lease commitments at 30 June 2019	422,264
Additional commitment due to lease extension	87,337
Impact of discounting	(37,530)
Lease liabilities at 1 July 2019	**472,071**

Practical expedients applied
In applying AASB 16 for the first time, the Group has applied the following practical expedients as permitted by the standard:

- Applied the exemption not to recognise right-of-use assets and lease liabilities for low value leases or leases with less than 12 months of lease term;
- Applied the use of a single discount rate to the portfolio of leases with similar characteristics. The rate applied was the Group's weighted average borrowing rate of 5%;
- Applied the use of hindsight in determining the lease term where the contract contains options to extend the lease; and
- Relied on previous assessments on whether leases are onerous.

(e) Accounting Standards issued but not effective

The Directors have reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2020. As a result of this review the Directors have determined there will be no material impacts of any new or revised Standards and Interpretations on the group, and therefore, no change is necessary to Group accounting policies.

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(f) Principles of Consolidation

The consolidated financial statements are those of the consolidated entity, comprising the financial statements of the parent entity and all of the entities the parent controls. The Group controls an entity where it has the power, for which the parent has exposure or rights to variable returns from its involvement with the entity, and for which the parent has the ability to use its power over the entities to affect the amount of its returns.

The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies which may exist.

All inter-company balances and transactions, including any unrealised profits or losses have been eliminated on consolidation. Subsidiaries are consolidated from the date on which control is transferred to the Group and are de-recognised from the date that control ceases.

Non-controlling interests in the result of subsidiaries are shown separately in the consolidated statement of comprehensive income and consolidated statement of financial position respectively.

(g) Foreign Currency Translations and Balances

Presentation currency

The financial statements of each entity within the consolidated entity are measured using the currency of the primary economic environment in which that entity operates (the functional currency). The consolidated financial statements are presented in US dollars which is the consolidated entity's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies of entities within the consolidated group are translated into functional currency at the rate of exchange ruling at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are translated using the spot rate at the end of the financial year.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated

Except for certain foreign currency hedges, all resulting exchange differences arising on settlement or re- statement are recognised as revenues and expenses for the financial year.

- Current assets and liabilities are translated at the closing rate on reporting date;
- Non-current assets are translated at historical cost
- Income and expenses are translated at actual exchange rates or average exchange rates for the period where appropriate; and
- All resulting exchange differences are recognised in other comprehensive income.

(h) Revenue

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Revenue from services includes fees charged whenever a ChimpChange customer makes a purchase using ChimpChange mobile banking platform. The fees are usually a percentage of the transaction value and are recognised when the transaction has been completed.

Revenue from administration services is recognised in the period it is earned.

Distribution Income

Distribution income is recognised when the right to receive payment has been established.

Interest income

Interest revenue is recognised on a proportional basis using the effective interest method taking into account the interest rates applicable to the financial assets.

Grant income

Grant income is recognised when the right to receive a grant is probable. Where grant income is directly related to expenditure of the Company the grant income is recognised in the period in which the applicable expenditure is spent. To the extent the grant income is received in advance of applicable expenditure being spent then grant income is recognised as deferred income.

(i) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(j) Financial Instruments

Non-derivative financial instruments

Non-derivative financial instruments consist of investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Non-derivative financial instruments are initially recognised at fair value, plus directly attributable transaction costs (if any), except for instruments recorded at fair value through profit or loss. After

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initial recognition, non-derivative financial instruments are measured as described below.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties including inter-company balances and loans from or other amounts due to director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

(k) Property, plant & equipment

Plant and equipment

Plant and equipment carried at cost less accumulated depreciation and, where applicable, any accumulated impairment losses.

Depreciation

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use. Land and the land component of any class of property, plant and equipment is not depreciated.

Class of fixed asset	**Depreciation rates**	**Depreciation basis**
Motor vehicles under lease	12.5%	Straight line
Office equipment	25%	Straight line
Office fit-out	10%	Straight line

(l) Software development

Software development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the entity is able to use or sell the asset; the software will generate probable future economic benefits; the entity has sufficient resource and intent to complete the development and its costs can be measured reliably.

Capitalised software development expenditure is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost over three years. The asset carrying value is reviewed for impairment annually and amounts are written off to the extent that realisable future benefits are considered to be no longer probable.

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(m) Impairment of non-financial assets

Intangible assets are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(n) Employee benefits

Short term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled wholly within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short- term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

Long term employee benefit obligations

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled wholly within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(o) Goods and services tax (GST)

Revenues, expenses and purchased assets in Australia 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 consolidated statement of financial position are shown inclusive of GST.

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

(p) Rounding

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, related to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Legislative Instrument to the nearest dollar, unless otherwise indicated.

(q) Intangible digital assets

The company has elected to measure its digital assets at cost less amortization and impairment in accordance with AASB138 Intangible Assets as market volume to date does not demonstrate an active market.

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(r) Ongoing operations

These financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At the date of this report the group remains in a development and growth phase of operations. The Directors are of the view that the group's payments and card issuing platform (Platform) is commercially viable and are confident that the business will become sustainable in future years through forecast revenue growth. Currently the group is in a strong cash position with no external borrowings and limited contractual commitments over the next 12 months. If required, the group has the ability to scale back future expenditure to ensure the group will continue as a going concern.

Until such time as the group's revenues grow to a level that is sufficient to enable the group to meet its financial commitments as and when they fall due the group will be dependent on raising further capital in future years.

(s) Cash and cash equivalents

For cash-flow presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(t) Leases

Group as lessee
Until the end of the 2019 financial year, leases of property were classified as 'operating leases'. Expenses incurred under operating leases were previously charged to the profit and loss on a straight-line basis.

From 1 July 2019, leases are now recognised 'on balance sheet' as a right-of-use asset with a corresponding lease liability. Each lease payment is allocated between the liability and finance cost. The right-of-use asset is depreciated over the lease term on a straight-line basis or over the useful life where title to the asset transfers at the end of the lease. Assets and liabilities arising from a lease are initially measured on a present value basis.

Depreciation on right-of-use assets and interest on lease liabilities is recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

Payments associated with short term leases (generally less than 12-month terms) and leases of low value have continued to be recognised on a straight-line basis as an Other Expense in the Consolidated Statement of Profit and Loss and Other Comprehensive Income.

The principal portion of the lease payments are recognised as a financing cash flow and the interest portion of the lease payments are recognised as an operating cash flow in the Consolidated Statement of Cash Flows.

The Group uses critical judgements in determining the lease term. Extension options are only included in the lease term where management considers that it is probable that the option will be exercised.

Group as lessor
The Group has entered into back-to-back lease arrangements. Where the terms of the lease transfer substantially all the risks and rewards of ownership to the sublessee and/or the term of the sub-lease is

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for the whole of the remaining term of the head lease, these arrangements are classified as finance leases.

Amounts due from finance leases are recognised as a lease receivable at the amount of the Group's net investment in the leases, the right-of-use asset relating to the underlying lease is derecognised. Finance lease income is allocated to the accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the lease.

2. Critical Accounting Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimated impairment of intangible assets and other non-current assets

Determining whether non-current assets are impaired requires an estimation of the value in use of those assets. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the Group and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Share- based payments transactions

The Group measures the cost of equity settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black-Scholes or Binomial model taking into account the terms and conditions upon which the instruments were granted (refer note 32). The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss or equity.

Digital Assets

At the date of preparation of these financial statements, no Accounting Standard has been developed that specifically addresses the issue of accounting for digital assets. In the opinion of the directors, the accounting approach that most aligns with the existing suite of Accounting Standards is to recognise digital asset holdings as intangible assets. The Company has elected to measure its digital assets at cost in accordance with Accounting Standard AASB138 Intangible Assets.

Leases

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost and depreciated on a straight-line basis over the unexpired term of the lease. Right-of-use assets are subject to impairment and adjusted for any remeasurement of lease.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease. The carrying amount of the lease is remeasured if there is a change in future lease payments (arising from a change in index or a rate used), the residual guarantee or the lease term. The remeasurement is an adjustment to the corresponding right-of-use asset, lease receivable (in the case of sub-leases) or to profit and loss.

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Trade and other receivables

The Group makes judgements as to its ability to collect receivables and provides for a portion of receivables when collection becomes doubtful. Evidence of impairment may include indications that the debtor is experiencing financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears of economic conditions that correlate with defaults. Collectability of trade and other receivables is reviewed on an ongoing basis. Trade and other receivables, which are known to be uncollectable, are written off. An allowance for expected credit losses is established. In measuring expected credit losses a provision matrix for trade receivables is used. The provision matrix is based on historical credit losses, adjusted for any material expected changes to future credit risk, refer to note 8 for details of the trade and other receivables.

Deferred tax assets

No members of the Group have generated taxable income in the financial year and as such the group continues to carry forward tax losses that give rise to deferred tax assets. Given that the Group's projects remain in early stages, it is unlikely that the Group will generate taxable income in the near future. Taking this into account, the deferred tax assets have not been recognised in the financial statements as the management does not believe that the members of the Group satisfy the criteria set out in AASB112.

3. Operating Segments

The Group is organised into a single operating segment being the provision of digital banking services and a single geographic segment, being the United States of America.

4. Revenue and other income

	2020	**2019**
	US$	**US$**
Revenue from contracts with customers		
Revenue from service fees – volume based	4,101	340,989
Revenue from service fees – non-volume based	-	110,000
	4,101	450,989
Other revenue and income		
Interest income - leases	20,232	-
Interest income - other	919	3,072
US Government grant – Paycheck Protection Program (PPP) (refer Note 17)	118,835	-
Gain on the sale of assets (refer Note 10)	100,001	-
Distribution received	-	1,300,000
Research & development tax refund	14,224	79,240
Total Revenue	**258,312**	**1,833,301**

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5. Expenses

	2020 US$	2019 US$
Profit / loss before income tax has been determined after:		
Amortisation and depreciation		
Depreciation of property, plant & equipment	12,481	29,563
Amortisation of software development costs	-	145,806
Total amortization and depreciation	**12,241**	**175,369**
Share based payments expense (credit)	189,116	(254,766)
Superannuation expense	10,018	-
Finance Expense		
Interest expense - lease	19,444	-
Interest expense - other	166,656	60,011
Amortisation of borrowing costs	73,694	38,848
Total Finance Expense	259,794	98,859

6. Income Tax Expense

	2020 US$	2019 US$
Reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(3,512,640)	(4,764,888)
Tax expense (credit) at the Australian tax rate of 30% (2019: 30%)	(1,053,792)	(1,429,466)
Differences in overseas tax rates	(258,076)	196,678
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Impairment expense	-	267,583
Share based payments expense	56,735	(76,430)
Option fee expense	-	75,000
Other	(4,276)	19,970
Current year tax losses not recognised	1,259,400	946,665
Income tax expense	-	-

Deferred tax assets of $10,451,737 (2019: $9,492,337) in respect of temporary differences and tax losses have not been recognized.

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7. Current assets - Cash and cash equivalents

	2020 US$	2019 US$
Cash at Bank	2,966,200	1,464,976

8. Trade and other receivables

	2020 US$	2019 US$
Trade receivables	124,614	57,833
Other receivables	107,261	114,721
Total trade & other receivables	**231,875**	**172,554**

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. They are generally due for settlement within 30 days and are non-interest bearing. Trade and other receivables of US$122,371 (2019:US$32,773) are past due but not impaired.

9. Current assets – Other assets

	2020 US$	2019 US$
Prepayments	5,563	-

10. Assets held for resale

	2020 US$	2019 US$
Investment in associate	-	99,999

In 2020 the Group received US$200,000 from the sale of its investment in Ivy Koin LLC and Ivy Blockchain Pty Ltd resulting in gain on sale of US$100,001.

11. Property, plant and equipment

	2020 US$	2019 US$
Office equipment at cost	63,909	63,909
Accumulated depreciation	(63,909)	(50,928)
Closing carrying value	-	12,981
Total property, plant & equipment	**-**	**12,981**

Reconciliation of movement

Reconciliation of the carrying amounts of property, plant & equipment at the beginning and end of the financial year

	Motor Vehicle US$	Office Fit Out US$	Office Equipment US$	Total US$
2020				
Opening carrying amount	-	-	12,981	12,981
Depreciation expense	-	-	(12,481)	(12,481)
Disposals/(Write-offs)	-	-	(500)	(500)
Closing carrying amount	-	-	**-**	**-**
2019				
Opening carrying amount	4,432	43,870	38,039	86,341
Depreciation expense	(206)	(5,161)	(24,196)	(29,563)
Disposals/write-offs	(4,226)	(38,709)	(862)	(43,797)
Closing carrying amount	-	-	**12,981**	**12,981**

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12. Leases

	2020 US$	2019 US$
Lease receivables		
Lease receivables - current	161,980	-
Lease receivables – non-current	189,472	-
Total lease receivables	**351,452**	**-**
Lease liabilities		
Lease liabilities – current	153,287	-
Lease liabilities – non-current	179,388	-
Total lease liabilities	**332,675**	**-**

Reconciliation of movement

	Lease Receivable US$	Lease Liability US$
Opening lease receivables on liabilities recognised on adoption of AASB 16 on 1 July 2019	498,601	472,071
Interest accrued	20,232	19,444
Lease repayments	(167,381)	(158,840)
Balance as at 30 June 2020	**351,452**	**332,675**

Lease liabilities are in relation to a property lease for office space in Los Angeles. This lease was entered into on 1 August 2016 for a 65-month term. This property has been sublet for a similar monthly rental and the lease payments to be received are recognised as lease receivables.

The total sub-lease payments to be received in the next 12-month period are $175,258 (2019: $183,999) and the period later than 12 months and less than 5 years $193,7855 (2019:334,856)

The Group also rents office space on a month to month basis. The expense relating to this short-term lease is US$51,777 included in other expenses.

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13. Intangible assets

	2020 US$	2019 US$
IvyKoin tokens at cost	1	1
Software development at cost	2,192,927	2,192,927
Accumulated amortisation	(1,300,983)	(1,300,983)
Impairment	(891,944)	(891,944)
Total intangible assets	**1**	**1**

	Patents, trademarks & licenses US$	IvyKoin Tokens US$	Software Development US$	Total US$
2020				
Opening carrying amount	-	1	-	1
Additions	-	-	-	-
Amortisation expense		-	-	-
Write off	-	-	-	-
Impairment	-	-	-	-
Closing carrying amount	-	1	-	1
2019				
Opening carrying amount	1,131	1	955,737	956,869
Additions	-	-	82,013	82,013
Amortisation expense		-	(145,806)	(145,806)
Impairment			(891,944)	(891,944)
Write off	(1,131)	-	-	(1,131)
Closing carrying amount	-	**1**	**-**	1

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14. Trade and other payables

	2020 US$	2019 US$
Unsecured liabilities		
Accounts payable	420,813	236,496
Accrued expenses	179,692	-
Other payables	30,888	39,885
Total trade and other payables	**631,393**	**276,381**

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

15. Provisions

	2020 US$	2019 US$
Unsecured liabilities		
Employee leave provisions	154,285	121,354

16. Borrowings

	2020 US$	2019 US$
Altor funding	-	1,283,532
Less costs of Altor funding	-	(233,085)
Total current borrowings	**-**	**1,050,447**
Movement in capitalized cost of funding		
Opening Balance	233,085	-
Costs of Altor funding – non-cash settled by way of share-based payments	-	159,295
Costs of funding – cash	43,051	112,638
Amortisation of borrowing costs (refer note 5)	(73,694)	(38,848)
Transfer to equity on conversion of notes (refer note 18(ii))	(202,442)	-
Closing Balance	**-**	**233,085**

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The loan from Altor Capital (an entity related to the director Harley Dalton) as at 30 June 2019 was a under a term loan facility of A$2,000,000 (Loan). This loan facility was replaced by an issue of convertible notes (Notes) that was approved by shareholders at an Extraordinary General Meeting (EGM) on 12 February 2019. The notes were issued on 29 August 2019.

The Convertible Notes issued under Tranche 1 of the Altor Funding (Altor Notes) were issued at a face value of $0.10 with a maturity of 36 months from the date of first issue. The loan and subsequent issued Notes were secured by a first ranking security over the Group's assets. The Notes had a conversion price of the lesser of A$0.10 or 75% of the 10-day VWAP of the Company's shares prior to conversion. A coupon of 10% per annum was to be paid quarterly in arrears. The Company can elect to pay the interest by way of cash or additional Notes. On maturity the Notes convert to shares.

Convertible Notes were also issued in November 2019 (November Notes) were at a face value of A$0.10 with a maturity of 36 months from the date of first issue. The Notes were unsecured. The November Notes had a conversion price of the lesser of A$0.10 or 75% of the 10-day VWAP of the Company's share price prior to conversion. A coupon of 12% was to be paid quarterly in arrears. The Company can elect to pay the interest by way of cash or additional Notes. On maturity the Notes convert to shares.

At election of the holder, the Notes could be converted before maturity, subject to certain restrictions. The Notes may also be redeemed prior to maturity at the request of the Company, subject to the agreement of the holder. The redemption price includes 130% of the interest payable for the remainder of the term.

In May 2020 all convertible notes and capitalised interest were converted to ordinary shares at a conversion price of A$0.05. Refer note 18 for further details.

17. Other current liabilities

	2020 US$	2019 US$
Deferred grant income	111,165	-
Total other current liabilities	111,165	-

During the financial year the Change Financial LLC received US$230,000 under the Paycheck Protection Program (**PPP**). Under the terms of the program the money is initially advanced as a loan and then the Company is to apply to have the loan waived subject to meeting certain spending criteria. It is reasonably likely that Change Financial LLC will meet the criteria to have the loan waived and therefore the funds advanced have been treated as a government grant in accordance with AASB120 Accounting for Government Grants and Disclosure of Government Assistance. As at 30 June 2020 the Company had spent US$118,835 of the funds advanced under the PPP on qualifying expenditure and therefore this portion of the loan has been recognises as granted income. The balance of the amount received under the PPP (US$111,165) has been recognised as deferred income.

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18. Issued capital

(i) Share Capital

As at 30 June	2020 US$	2019 US$
268,067,714 fully paid ordinary shares[1] (30 June 2019: 92,807,174)	34,767,894	29,582,499

[1] This amount excludes 6,036,457 shares (30 June 2019– 6,036,457) issued under the Loan Funded Share Plan (LFSP). These shares will be recognised in Share Capital when the loan advanced under the LFSP to acquire those shares is repaid.

Ordinary shares entitle the holder to participate in the dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote and upon a poll each is share is entitled to one vote.

(ii) Movements in ordinary share capital

	Number	US$
Balance at 30 June 2018[1]	**73,564,879**	**26,607,205**
July 2018 Placement	6,034,483	2,600,850
July 2018 Placement – issue costs	-	(171,656)
February 2019 Entitlement issue	13,207,812	566,298
February 2019 Entitlement offer – issue costs	-	(20,198)
Balance at 30 June 2019	**92,807,174**	**29,582,499**
Options exercised (i)	4,000,000	27,656
Equity entitlement offer & shortfall (ii)	93,243,631	3,094,916
Costs of entitlement issues (ii)		(277,583)
Conversion of convertible notes (iii)	69,713,576	2,321,114
Capital raising costs of convertible notes previously capitalized (iii)		(202,442)
Costs of conversion (iii)		(8,829)
Placement to CPx Holdings LLC (iv)	8,333,333	250,000
Placement costs (iv)		(19,437)
Balance at 30 June 2020	**268,097,714**	**34,767,894**

[1] Excludes shares issued under the Loan Funded Share Plan (LFSP). These shares are recognised in Share Capital when the loan advanced under the LFSP to acquire those shares is repaid. At 30 June 2020 6,036,457 such shares were excluded (2019: 6,036,457). Total fully paid shares on issue at 30 June 2020 was 98,843,631 (2019: 79,601,336).

(i) 4,000,000 options with a strike price of A$0.01 were exercised during November and December 2019

(ii) 93,243,631 shares were issued during May and June 2020 at a price of A$0.05 per share under a 1 fo1 Entitlement Offer announced 1 April 2020. Costs of the entitlement offer included management and capital raising fees. Subsequent to year end a further 9,600,000 shares were issued to raise a further A$480,000 cash.

(iii) On 13 May 2020 the Convertible Notes, at the request of the Noteholders, and pursuant to their terms of issue, converted to ordinary shares. Under the terms of the issue of the Notes, the ordinary shares were issued at A$0.05 per share. The funds raised from the issue of the convertible notes plus the value of notes issued in lieu of interest were reclassified from Borrowings to Issued Capital. Capital raising costs of the convertible notes previously capitalised were also transferred to equity (refer note 16).

(iv) Under the terms of Subscription Agreement entered into between the Company and CPx Holdings Limited (CPx), 8,333,333 shares were issued to CPx for US$250,000 during June 2020.

Capital Management

Management controls the capital of the Group to ensure the Company can fund its operations and continue as a going concern. In order to maintain or adjust the capital structure, the Group may seek to issue new shares

Options

Information relating to options is set out in note 32.

19. Reserves

	2020 US$	2019 US$
Share based payment reserve (a)	4,114,477	3,925,361
Foreign currency translation reserve (b)	152,222	17,379
Total reserves	**4,266,699**	**3,942,740**

(a) Share based payment reserve		
Balance at the start of the period	3,925,361	4,020,832
Options issued / (lapsed)	189,116	(95,471)
Closing balance	**4,114,477**	**3,925,361**

(b) Foreign currency translation reserve		
Opening balance	17,379	126,675
Exchange differences on translation of parent operation	134,843	(109,296)
Closing balance	**152,222**	**17,379**

Share based payment reserve

The reserve is used to recognise the value of options issued to employers, directors and other parties as part of their remuneration of as part of their compensation for services provided to the Group.

Foreign currency translation reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of the holding company to United States dollars.

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20. Reconciliation of profit after income tax to net cash inflow from operating activities

(i) Reconciliation of profit after income tax to net cash used in operating activities

	2020 US$	2019 US$
Loss for the year	(3,512,640)	(4,764,888)
Depreciation and amortisation	12,481	175,369
Amortisation of borrowing costs	73,694	38,848
Share based payments	189,116	(254,766)
Loss on disposal of assets	-	44,927
Gain on sale of investment	(100,001)	-
Capitalised interest	163,644	60,011
Distribution received	-	(1,300,000)
Impairment expense	-	891,944
Change in operating assets and liabilities:		
Decrease (increase) in current receivables	(57,458)	(81,010)
Decrease (increase) in other current assets	(6,241)	(69,476)
Increase (decrease) in accounts payable	224,263	(668)
Increase (decrease) in provisions	32,931	(50,465)
Increase (decrease) in other current liabilities	111,165	(220,234)
Net cash used in operating activities	**(2,869,046)**	**(5,391,456)**

(ii) Non-cash financing and investing activities

	2020 US$	2019 US$
Borrowing costs settled by way of share-based payments	-	159,295

21. Earnings per share

	2020 US$	2019 US$
Loss attributable to ordinary equity holders of Change Financial Limited	(3,512,640)	(4,764,888)
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share	125,012,150	84,171,251
Weighted average number of ordinary shares and dilutive potential ordinary shares used as a denominator calculating diluted earnings per share	125,012,150	84,171,251

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Options and other potential equity securities on issue at the end of the period have not been included in the determination of diluted earnings per share as the Group has incurred a loss for the period and they are therefore not dilutive in nature.

22. Dividend

There were no dividends paid, recommended or declared during the current or previous period.

23. Financial risk management

The Group's activities may expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by senior management in consultation with the Board of Directors. The Board provides principles for overall risk management, as well as direction in specific areas.

Market Risk

Foreign currency risk
Foreign currency risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting. The Group does not use foreign currency hedges.

At balance date, the Group had the following exposures to Australian dollars (A$). **As at 30 June**	**2020** **US$**	**2019** **US$**
Cash at bank	1,875,653	68,381
Current assets	17,072	58,937
Current liabilities	(210,331)	(1,359,345)
Net monetary assets / liabilities designated in AUD	1,682,394	(1,237,027)

Interest rate risk
The Group's main interest rate risk arises from cash. Cash at variable rates expose the Group to cash flow interest rate risk. No hedging instruments are used. As at the reporting date, the Group had cash and cash equivalents of $2,966,200 (2019: $1,464,976) subject to variable interest rates of 0.05% (2019: 0.2%). At 30 June 2020, if interest rates had changed by +/- 1% from the year-end rates with all other variables held constant the impact would be immaterial.

Price risk
The Group is not exposed to any significant price risk.

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Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. Credit risk arises from cash and cash equivalents, as well as outstanding trade and other receivables. The Group deemed its credit risk from cash and cash equivalents to be minimal as its financial assets are mainly cash held at BankWest which is a subsidiary of Commonwealth Bank of Australia and US Bank. The maximum exposure to credit risk is the carrying amount net any provisions for impairment. No financial assets are past due, and none are impaired except as noted in Note 8.

Liquidity Risk

The Group manages liquidity risk by maintaining adequate cash balances and by continuously monitoring forecasts and actual cash flows matching maturity profiles of financial assets and liabilities.

Financing arrangements

The Group does not have access to any undrawn borrowing facilities at the end of the reporting period.

Maturities of financial liabilities

At period end the Group had accounts payable of $631,393 (2019: $276,381) which have a maturity of less than 6 months. The Group had no current borrowings (2019: $1,050,447). The total lease payments to be made in the next 12 months are US$165,481 (2019: $162,830) and the period later than 12 months and less than 5 years $183,444 (2019:259,434). The Group has no other financial liabilities.

24. Subsidiaries

The consolidated financial statements include the assets, liabilities and results of the following subsidiaries:

Name of Entity	Country of Incorporation	Equity Type	Holding 2020 %	Holding 2019 %
Change Financial LLC	US	Membership units	100	100
Change Labs NZ Pty Ltd (dormant)	Australia	Ordinary Shares	100	100

25. Accumulated Losses

As at 30 June	2020 US$	2019 US$
Opening balance of accumulated losses	(33,222,910)	(28,458,022)
Opening balance due to the introduction of AAS16	26,530	-
Loss for the period	(3,512,640)	(4,764,888)
Closing balance of accumulated losses	**(36,709,020)**	**(33,222,910)**

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26. Parent entity financial information

The individual financial statements for the Parent entity show the following aggregate amounts:

As at 30 June	2020 US$	2019 US$
Current assets	1,892,725	242,624
Non-current assets	643,178	1,185,964
Total assets	**2,535,903**	**1,428,589**
Current liabilities	210,331	1,126,260
Total liabilities	**210,331**	**1,126,260**
Net Assets	**2,325,572**	**302,329**
Shareholders' equity		
Issued Capital	34,767,894	29,582,499
Reserves	4,266,698	3,942,740
Retained Earnings	(36,709,020)	(33,222,910)
Total shareholders' equity	**2,325,572**	**302,329**
Loss for the period	(3,486,109)	(25,862,816)
Total comprehensive loss	(3,486,109)	(25,862,816)

27. Key management personnel disclosures

Directors

The following persons were directors of Change Financial Limited during the financial year:

Non-executive directors
Teresa Clarke (resigned 30 June 2020)
Benjamin Harrison
Harley Dalton

Executive directors
Ian Leijer – Executive Director

Other key management personnel

The following persons also had responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, during the financial year. They are employed by Chimpchange LLC

Alastair Wilkie – Chief Executive Officer (appointed 25 October 2019)
Clayton Fossett – Chief Operating Officer

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Key management personnel compensation

	2020 US$	2019 US$
Short term employee benefits	556,816	724,184
Non-monetary benefits	10,763	33,585
Post-employment benefits	10,018	-
Share based payments	162,405	(288,293)
Total	**740,002**	**469,476**

Detailed remuneration disclosures are provided in the remuneration report.

28. Remuneration of auditors

The auditor of Change Financial Limited is Pitcher Partners

As at 30 June	**2020** US$	**2019** US$
Amounts received or due and receivable for current auditors:		
An audit or review of the financial report of the entity and any other entity in the consolidated group	59,486	64,529
Other services in relation to the entity and any other entity in the consolidated group – tax compliance.	11,542	16,976
Total	**71,028**	**81,505**

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29. Related Party Transactions

The following transactions with key management personnel and their associated entities:

A director, Mr H Dalton is a director and controlling shareholder of Altor Capital Pty Limited which wholly owns Altor Advisory Partners Pty Limited (**AAP**). The Company engaged AAP to act as lead manager and arranger for Change's capital raising during the year. The contract was based on normal commercial terms and conditions. The Company also engaged AAP to provide accounting and bookkeeping services. These services were provided on normal commercial terms. Also during the year Mr Dalton provided management and consultancy services to the Company beyond the scope of his role as a director. The Company paid AAP for the services of Mr Dalton on normal commercial terms and this amount is included in the amount paid to Mr Dalton in Note 27.

A director, Mr Benjamin Harrison is CIO of Altor Capital Limited and was the nominated appointee of Altor in 2018 when Mr Harrison joined the Board. During the year Mr Harrison provided management and consultancy services to the Company beyond the scope of his role as a director. The Company paid AAP for the services of Mr Harrison on normal commercial terms and this amount is included in the amount paid to Mr Harrison in Note 27.

Transactions with Key Management Personnel	2020 US$	2019 US$
Amounts recognised as expense		
Accounting and bookkeeping fees	10,091	-
Amounts recognised in equity (cost of funds raised)		
Capital raising & management fees	256,184	-

30. Contingent liabilities

The Group has no contingent liabilities.

31. Commitments

The Company is required to pay to certain minimum payments under contracts for services, the amounts of which are set out in the table below.

	2020 US$	2019 US$
Payments contracted for but not recognised in the financial statements:		
Not later than 12 months	62,500	-
Later than 12 months but not later than five years	1,097,500	-
Later than 5 years	775,000	-
Total	**1,935,000**	**-**

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32. Share Based Payments

(a) Employee option Plan

Share options of the parent were granted to senior executives of the Group as part their remuneration package. There options were granted under their employment contracts for no consideration.

Set out below are summaries of options granted to executives during the year:

	2020		2019	
	Average exercise price Per share Option	Number of options	Average exercise price Per share Option	Number of options
As at 1 July	0.73	1,440,000	1.22	8,560,000
Granted during the year	0.22	4,250,000	-	-
Exercised during the year	-	-	-	-
Expired/forfeited	0.67	(940,000)	1.35	(7,120,000)
As at 30 June	**0.22**	**4,750,000**	**0.81**	**1,440,000**
Vested and exercisable at 30 June		1,250,000		860,034

In addition to the above the other non-employee related option movements were

- On 20 April 2019. 1,500,000 CCZ Options with an exercise price of A$1 expired;
- On 11 December 2018. 4,000,000 options were issued as part of the convertible note issue, the options had an exercise price of A$0.01 per share and an expiry of 31 December 2020. These options were exercised in the current financial year. Refer to note 18 for further details; and
- On 31 December 2019. 1,500,000 options with an exercise price of A$0.40 expired

Share options outstanding at the end of the year have the following expiry dates and exercise prices:

Grant Date	Expiry	Term (years)	Exercise Price A$	2020 Number	2019 Number
10 Jan 2017	31 Jan 2020	3	0.657	-	740,000
1 Jan 2015	20 Oct 2019	4	0.490	-	100,000
1 Jan 2015	20 Oct 2020	5	0.490	100,000	100,000
18 Jan 2018	31 Jan 2021	3	0.920	400,000	500,000
28 Oct 2019	28 Oct 2022	3	0.001	500,000	-
28 Oct 2019	28 Oct 2022	3	0.200	1,000,000	-
28 Oct 2019	28 Oct 2022	3	0.260	1,000,000	-
28 Oct 2019	28 Oct 2022	3	0.320	1,000,000	-
5 December 2019	5 Dec 2022	3	0.200	750,000	
				4,750,000	**1,440,000**
Weighted average remaining contractual life of options outstanding at year end (years)				**2.1**	**1.0**

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(b) Fair value of options granted

The assessed fair value of options granted during the year was an average of $0.219 per option. The fair value at grant date is independently determined using using the Black & Scholes method of option pricing taking into account the exercise price, the term of the option, the share price at grant date and expected price volatility of the underlying shares, the expected dividend yield, the risk free rate for the term of the options.

The model inputs for options granted during the year ended 30 June 2020 included;

(a) options are granted for no consideration;
(b) exercise price of options granted as set out in the table above;
(c) expiry dates as set out in the table above;
(d) share price of $0.22 for shares granted on 28 October 2019, $0.12 for shares granted on 5 December 2019;
(e) expected volatility of 75%;
(f) expected dividend yield of nil; and
(g) risk-free interest rate of 0.6219%.

The expected volatility is based on the historic volatility adjusted for any expected changes to the future volatility due to publicly available information.

(c) Expenses arising from share-based payment transactions

	2020 US$	2019 US$
Share based payments expense (income)	189,116	(254,766)
Borrowing cost	-	159,295
Total	**189,116**	**(95,471)**

33. Post Balance Date Events

Share Issue

Subsequent to year end on 7 August 2020 a total of 9,600,000 shares were issued at A$0.05 per share under the shortfall facility in the Entitlement Offer dated 1 April 2020 raising A$480,000 in cash.

The issue of some of those shares required shareholder approval. In a general meeting held 6 August 2020 the shareholders approved the issue of fully ordinary shares at A$0.05 per share under the shortfall Entitlement Offer to Key Management Personnel as follows:

Altor Capital Management Pty Limited (related to Harley Dalton) - 3,000,000
Harley Dalton- 1,500,000
Benjamin Harrison – 1,500,000

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DIRECTORS DECLARATION

In the opinion of the directors:

(a) the financial statements and notes set out on pages 29 to 60 are in accordance with the *Corporations Act 2001*, including:

(i) complying with Australian Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

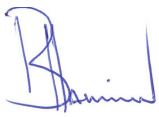
(ii) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the Executive Chair and chief financial officer required by section 295A of the *Corporations Act 2001*.

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



Benjamin Harrison
Chair
31 August 2020

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Independent auditor's report to the members of Change Financial Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Change Financial 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, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of 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 financial performance for the year then ended; 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 (including Independence Standards)* "the Code" that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Key Audit Matters

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

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Key audit matter	How our audit addressed the matter
Going Concern *Refer to Note 1(r) in the Annual Report*	
At the date of this report the Group remains in the development and growth phase of operations that have resulted in operating losses and operating cash outflows for a number of years. The Directors have adopted the going concern basis of preparation in preparing the Financial Statements, having prepared detailed cash flow forecasts for a period of at least 12 months from the date these Financial Statements were approved. The Director's assessment of the Group's ability to continue as a going concern was assessed as a key audit matter as it requires significant judgement in determining key assumptions supporting the expected future cash flows, including but not limited to: • forecast revenue growth; • forecast development expenditure on the Group's payments and card issuing platform; • forecast operating expenses; and • forecast future capital raising;	Our procedures included, amongst others: • Understanding and evaluating relevant controls over the Group's assessment of going concern and compilation of cash flow forecasts; • Checking to satisfy ourselves that the cash flow forecast is approved by the Board and that it has been subject to the appropriate review and approval processes and controls; • Discussing with those charged with governance their funding, business and cash flow strategy for the period at least 12 months from date of signing the financial report; • Obtaining supporting documentation in relation to future capital raising options that the Directors are considering; • Understanding the Directors' assumptions for forecast cash outflows during the period under review; • Assessing the sensitivity of the cash flow forecast where commercial revenues and capital raising activities are delayed or do not occur within expected timeframes; • Understanding and evaluating the ability of the Group to scale back future expenditure over the next 12 months, if required; and • Assessing the appropriateness of the disclosure included in the financial report.
Implementation of AASB 16: *Leases* *Refer to Note 1(d) and 12 in the Annual Report*	
The 30 June 2020 financial year was the first year of adoption of Australian Accounting Standard AASB 16: *Leases*. The Group has leases over premises, one of which involves a sub-lease to a third party, on mirrored terms. The Group elected to apply the modified retrospective approach. Effective on the date of transition, US$498,601 Lease Receivables and US$472,071 Lease Liabilities were recognised, with an opening accumulated loss impact of US$26,530. Given the financial significance to the Group of its leasing arrangements, the complexity and judgements involved in the application of AASB 16, such as the determination of the Incremental Borrowing Rate (IBR) and the transition requirements of the standard, this was assessed as a key audit matter.	Our procedures included, amongst others: • Understanding and evaluating relevant controls related to the identification, recognition and measurement of lease liabilities and right of use assets; • Checking the integrity of the management's AASB 16 lease calculation model, including the accuracy of formulas; • Agreeing inputs used in the AASB 16 lease calculation model such as the lease term, fixed and variable rent payments, renewal options and lease incentives back to underlying executed lease agreements; • Assessing the reasonableness of management's judgements in relation to the accounting treatment of lease renewal options under AASB 16; • Assessing the reasonableness of the Incremental Borrowing Rate used to discount future lease payments to present value; • Reviewing whether the Group's new accounting policy satisfied the requirements of AASB 16 including the adoption of practical expedients applied by management for the transitional accounting; and • Reviewing the adequacy of the disclosures in the financial report to ensure compliance with Australian Accounting Standards.

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Other Information

The Directors are responsible for the other information. The other information comprises the Chairman and CEO's Letter, Corporate Directory, Directors' Report, Corporate Governance Statement and ASX Additional Information which was obtained as at the date of our audit report, and any additional other information that will be included in the Group's annual 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 accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 17 of the Directors' Report for the year ended 30 June 2020. In our opinion, the Remuneration Report of Change Financial Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Pitcher Partners

PITCHER PARTNERS

DAN COLWELL

Partner

Brisbane, Queensland

31 August 2020

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ASX ADDITIONAL DISCLOSURE

Shareholder information at 28 August 2020

34. Shareholding Distribution and Unmarketable Parcels

Size of Shareholder	Number of Shares	% of Issued Capital	Number of Holders	% of Holders
100,001 and Over	248,132,673	87.45	318	13.02
50,001 to 100,000	13,945,099	4.91	176	7.20
10,001 to 50,000	16,742,017	5.90	635	25.99
5,001 to 10,000	2,817,708	0.99	348	14.24
1,001 to 5,000	1,892,391	0.67	645	26.40
1 to 1,000	204,283	0.07	321	13.14
Total	283,734,171	100.00	**2,443**	100.00
Unmarketable Parcels	1,166,904	0.41	763	31.23

35. Top 20 Shareholders

Rank	Name	Number of Shares	% of Issued Capital
1	BART PROPERTIES PTY LTD	15,382,582	5.42%
2	CPX HOLDINGS L.LC.	8,333,333	2.94%
3	MR ASHLYE SHILKIN	7,445,797	2.62%
4	BOND STREET CUSTODIANS LIMITED	6,670,000	2.35%
5	BOND STREET CUSTODIANS LIMITED	5,950,000	2.10%
6	MR DAVID FREDERICK OAKLEY	5,593,890	1.97%
7	CSWSG PTY LTD	4,800,000	1.69%
8	MR COLIN MACLEOD + MRS LINDA MACLEOD	4,797,830	1.69%
9	ADMIRANDUS PTY LTD	4,395,658	1.55%
10	BJT903 PTY LTD	4,370,080	1.54%
11	LEMEURICE PTY LTD	4,283,291	1.51%
12	RIGGS AND RUMPS PASTORAL PTY LTD	3,810,823	1.34%
13	NAREENEN PTY LTD	3,672,529	1.29%
14	GERSEKOWSKI SUPER FUND PTY LTD	3,200,000	1.13%
15	JMB PEARCE PTY LTD	3,187,408	1.12%
16	MR MANFRED DIETER LAGERMAN	3,183,002	1.12%
17	MR ALASTAIR PATERSON WILKIE & MRS SANDRA CHRISTINE WILKIE	3,115,990	1.10%
18	MR CRAIG GRAEME CHAPMAN	3,000,000	1.06%
18	BOND STREET CUSTODIANS LIMITED	3,000,000	1.06%
18	ALTOR CAPITAL MANAGEMENT PTY LTD	3,000,000	1.06%
18	ADMINIS CUSTODIAL NOMINEES LIMITED	3,000,000	1.06%
19	BONNIP PTY LTD	2,926,780	1.03%
20	MR DOUGAL MALCOLM HENDERSONMR MANFRED DIETER	2,495,418	0.88%
	Top 20 Total	**109,614,411**	**38.63**
	Total Shares on Issue	**283,734,171**	**100.00%**

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36. Unquoted Options

Option ex price and expiry	Number of Options	Number of Holders
Options @ $0.49 expiry 20-Oct-20	100,000	1
Options @$0.92 expiry 31-Jan-21	400,000	4
Options @$0.001 expiry 28-Oct-22	500,000	1
Options @$0.20 expiry 28-Oct-22	1,000,000	1
Options @$0.26 expiry 28-Oct-22	1,000,000	1
Options @$0.32 expiry 28-Oct-22	1,000,000	1
Options @$0.20 expiry 5-Dec-22	750,000	1
Total	**4,750,000**	**10**

37. Substantial Shareholders

Substantial holders as disclosed in substantial holder notices given to the Company were as follows:

Name of substantial shareholder	Number of shares over which the relevant interest is held	% of issued capital
BART PROPERTIES PTY LTD	15,382,582	5.42%
CPX HOLDINGS L.L.C	8,333,333	2.94%