change.

CHANGE FINANCIAL LIMITED
APPENDIX 4E
FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2021

Entity Details

Name of entity	Change Financial Limited
ABN	34 150 762 351

Details on reporting Period

Current period	Year ended 30 June 2021
Previous corresponding period	Year ended 30 June 2020

Reporting Currency

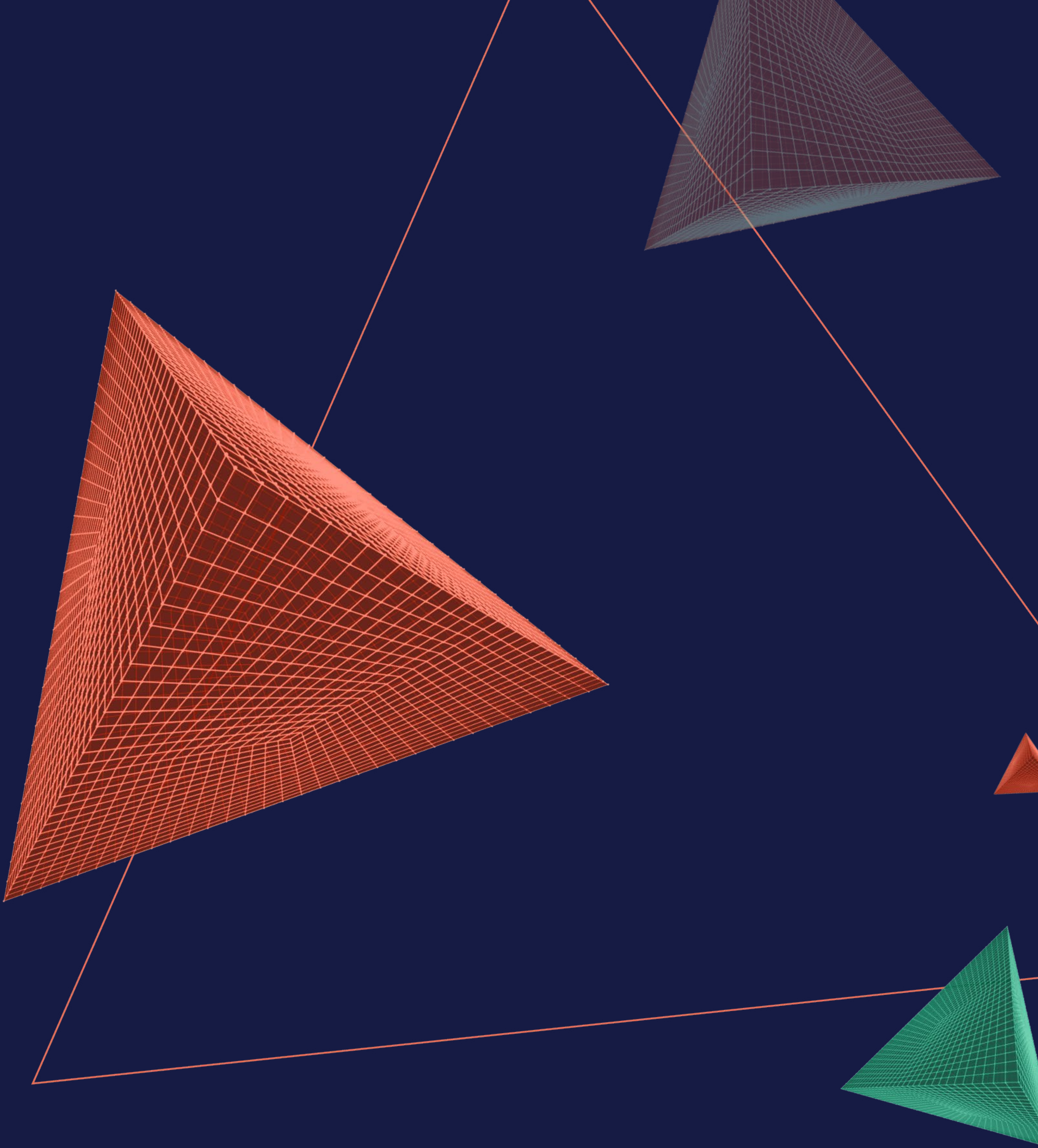
Unless otherwise stated all amounts in this report are stated in United States dollars.

Results for announcement to the market

	2021 US$	2020 US$	$ Change	$ Change
Revenue from ordinary activities	6,313,343	258,312	6,055,031	increased 2,344%
Loss from ordinary activities	(3,477,382)	(3,512,640)	35,258	reduced 1%
Loss for the period attributable to members	(3,477,382)	(3,512,640)	35,258	reduced 1%
Basic EPS – cents per share (loss)	(0.9)	(2.8)	2.7	reduced 96%
Diluted EPS – cents per share (loss)	(0.9)	(2.8)	2.7	reduced 96%

Dividends

No dividend is proposed for the year ended 30 June 2021 (2020: nil).



Annual Report 2021

For the year ended 30 June 2021

Corporate Directory

Directors	Benjamin Harrison (Chairman) Ian Leijer (Executive Director) Harley Dalton (Non-Executive Director)
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 www.pitcher.com.au
Share Registry	Link Market Services Limited Telephone: 1300 554 474 www.linkmarketservices.com.au
Website	www.changefinancial.com
ASX Code	CCA

Table of Contents

Chairman’s Letter

Dear Shareholders,

On behalf of the Board of Change Financial Limited (Change), I am delighted to present our Annual Report for the year ended 30 June 2021.

It has been a pivotal year for Change as we completed transformative initiatives and laid strong foundations to capitalise on the shift in the global payments industry. According to research led by Deloitte, the total addressable market of the target countries within our key focus regions (Southeast Asia, Latin America, North America and Oceania) total more than US$10 trillion. As our key regions move towards increased digital payment acceptance, which has been accelerated by COVID, we anticipate this addressable market to grow significantly.

Following completion of the technology build of our issuer processing business in the US, we were able to accelerate our development road map through a highly strategic and complementary acquisition. Over the year we have successfully integrated the acquisition with our existing technology and operations to create a leading and globally competitive payments solutions platform which includes a Payments as a Service offering (“Vertexon”) and a testing platform (“PaySim”).

In the process, Change has also significantly expanded its client base to 136 across 36 countries with our technology platform supporting valuable clients including leading Australian bank, ME Bank, and Philippines based bank, BDO Unibank.

Change has also considerably strengthened its team increasing employees from 15 to 80 and has an impressive geographical reach with staff in Australia, New Zealand, Dominican Republic, the US, and Greece to service its growing global client base. Importantly we are making positive steps in enhancing the diversity and culture of the organisation. We now have 22 different nationalities represented in the organisation. The Board will continue to support and encourage greater diversity in the organisation as it continues to grow.

I would like to take this opportunity, on behalf of the Board of Directors, to thank all our valued clients and employees and highlight how important they are to us and the successful future of our company.

The achievements of this past year enable Change to enter the 2022 financial year ready to tackle a period of rapid growth. I am excited with where the business is going, and I look forward to keeping you up to date as we work to deliver operational and financial milestones in the upcoming year.
I would like to thank our shareholders for their continued support as we embark on this exciting journey.

Sincerely,

Benjamin Harrison
Chairman

CEO's Report

Dear Shareholders,

I am incredibly proud of what Change has accomplished over the past 12 months, and I am delighted to say that financial year 2021 was a record year across all key metrics.

Despite the challenges caused by the global pandemic and the impacts of political and economic disruption in some regions where our clients are located, Change capitalised on the increasing global demand for ecommerce and digital payments services. Our clients are determined to improve their customer's access to innovative payments solutions and keep up with the ever-accelerating trend into digital payments. Change is uniquely positioned to capitalise on this massive market opportunity, with a focus on growth across our four key regions of Latin America, Southeast Asia, the US, and Oceania.

Throughout the year, we made strategic management appointments and expanded operations to reinforce and ready our team to navigate a period of rapid growth. We have recently welcomed Tony Sheehan, a highly experienced executive with two decades of experience in finance and payments, as Chief Financial Officer and appointed four Vice Presidents to lead regional business development activities in our key regions. Investment in sales and business development is an important pillar to support our growth strategy; we are committed to investing in growth drivers to expand adoption of our payments solutions.

Our team delivered significant milestones as part of our Business Integration Plan and successfully migrated 96% of customer contracts from our strategic acquisition made in October 2020. In line with expectations, the second half of the year saw a significant increase in revenue and growth in our contracted annual recurring revenue (ARR). We achieved pro forma full year revenue of US$8.4 million[1] (A$11.3 million) for FY21 and increased our ARR run rate to US$4.4 million (A$5.6 million) as at 30 June 2021.

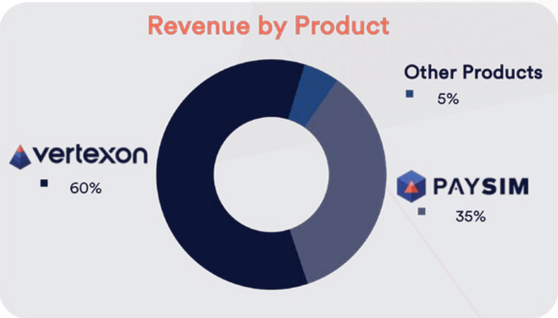
A hallmark of the 2021 financial year has been the advancement of our technology and platform, that was significantly accelerated by our acquisition. Change established a cloud-based technology stack centred on resilience, scalability, and geographic transferability. The system integrates our payments processing infrastructure and the acquired payments management platform in addition to front-end applications relied on by our clients' customers.

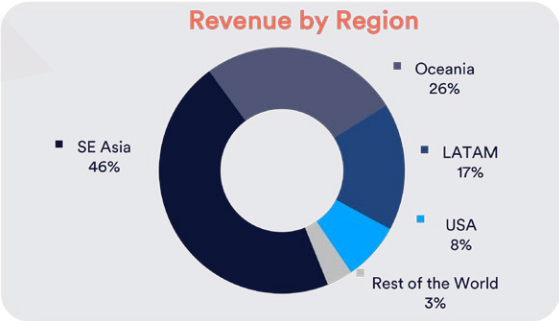
As a result, we delivered licence sales and project fees through our platform and added 10 new clients across 9 countries to our testing solution. Following the acquisition, we completed 11 projects across 5 clients. These projects included a major upgrade to the latest version of our payments platform and functional enhancements required to address the increased demand for digital and ecommerce payments. Some examples include Apple Pay, Google Pay, and Samsung Pay along with transaction streaming to support Open Banking and Consumer Data Right (CDR) initiatives.

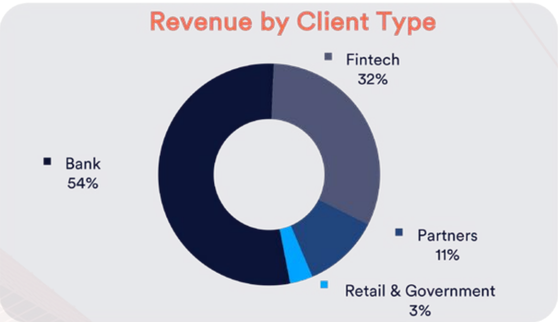
We held several workshops with clients throughout the year sharing our technical and product roadmaps which were well received and aligned to our client's business strategies. We expect these initiatives will result in a number of new projects in the short to medium term and are committed to keep engaging with our clients providing innovative, flexible and fast to market technology and payments solutions.

[1] On a pro forma basis assuming the acquisition occurred on 1 July 2020

Change has a geographically diverse client base with 46% of our financial year revenue derived from Southeast Asia, 26% from Oceania, 17% from Latin America, 8% from the US, and 3% across other regions. We have a strong and diverse client base which provides an excellent platform from which to build from the core in these regions, with expansion plans to address the growing banking and fintech markets. Our customers include some of the largest banks and payments brands globally which is a real validation of the quality of our technology and team.







Following the successful acquisition integration, we turned our focus to strategy and growth calibration and our product mix has been rigorously tested through market research, resulting in a technology development roadmap backed by a wide selection of our clients. We engaged Deloitte, one of the world's leading experts in payments, to refine our understanding of where to concentrate growth initiatives. This produced a Go-to-Market strategy that will act as a blueprint, enabling us to leverage the strong foundations set over the last year to drive future growth.

Heading into financial year 2022, a union of favourable structural trends adds to the tailwinds behind Change. The accelerated uptake of ecommerce is driving global payments revenue, encouraging clients to launch new and optimised payments experiences as they seek to deploy cashless technologies and implement digital orientated payments services. Alongside these demand-led evolutions, disruption from within the industry continues to attract new entrants while driving existing institutions to expand their product mix to compete.

As our platform enables our customers to offer flexible payments solutions such as virtual cards and buy now, pay later (BNPL) services, those structural trends form the growth drivers that underline Change's business. Looking forward, we are focused on driving growth through banks and fintechs across our four main target regions which capture both a significant portion of the global serviceable market as well as the leading centres of growth.

We intend to leverage partnerships in these target regions as we build on our existing presence in these markets; this model will be a particular focus for our testing business. Further to organic growth drivers, we will assess transaction-led opportunities when they arise.

I would like to thank our shareholders for their support over the last 12 months and I look forward to sharing the journey ahead with you.

Kind regards,

Alastair Wilkie

Alastair Wilkie
CEO

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 2021 (**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

Principal activities

The Group's principal activity during the year continued to be the commercialisation and ongoing development of its core Mastercard certified processing platform and its acquired payments management platform. Change is a global fintech developing innovative and scalable payments technology offering Payments as a Service (**PaaS**) solutions to businesses and financial institutions.

Review of Operations

Highlights

The Company has had a transformational year. Key operational highlights include:

- An increase in revenue from US$0.3 million in FY20 to US$6.3 million in FY21
- Successful completion and integration of the strategic acquisition that added a blue-chip customer base, global reach and accelerated product development
- Growing Change's customer base to 136 customers across 36 countries with more than 16 million cards managed and processed on Change's platform
- Added key features to its platform including Buy Now, Pay Later, a payments testing solution, virtual, debit and credit cards as well as digital payment wallets (including Apple Pay, Google Pay and others)
- Successful completion of Phase 1 of the strategy to integrate the Company's existing certified issuer processor and acquired payments management platform
- Progressing through Phase 2 of the integration strategy which will see a Customer Ready Platform available in the first half of financial year 2022 allowing the Company to offer the next generation of its platform to customers
- Key executive and business development appointments to execute on growth strategy
- Completed its Go-To-Market Strategy that is being implemented in financial year 2022

Acquisition Summary

As announced on 11 September 2020, Change entered into an agreement to acquire the assets of Wirecard NZ & Australia effective 1 October 2020. Following the final consideration adjustments, the effective consideration was reduced to A$6.45 million (US$4.6 million). The acquisition was limited to the assets of the Wirecard business, including customers, staff, technology and outstanding invoices owed by customers. As such, other than staff leave balances, no liabilities were inherited by Change. All other potential liabilities were ring fenced in the entities currently in liquidation that did not form part of the acquisition.

Further details on the Group's operations in the 2021 financial year are set out in the CEO Report.

Significant changes in the state of affairs

No significant changes in the state of affairs other than as set out in the Review of Operations above.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 June 2021 that has significantly affected the Group's operations, results or state of affairs, or may do so in subsequent financial periods except as set out in the Review of Operations above.

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
Benjamin 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 five year period he executed over A$2.0 billion in capital market transactions and A$5.5 billion of public M&A transactions. Benjamin is active in the venture capital, private equity and private credit sectors. He currently holds board and advisory roles for a number of public and private companies.

Other current ASX directorships
Propell Holdings Limited (ASX:PHL)

Former ASX directorships in last 3 years
None

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 businesses to publicly listed status in the Australian market, providing capital raising, structuring, debt, equity, and board composition advice.

Harley is currently a Director of Altor Capital. Prior to this he was the founder and CEO of Dalton Nicol Reid up until 2014, growing it to be one of Australia's leading and most recognised Australian Equities fund managers with circa A$1 billion 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
Chair of the Audit & Risk Management Committee

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

Special responsibilities
None

Company Secretary

The Company Secretary is Mr Adam Gallagher.

Experience and expertise

Adam has over 20 years' experience across technology, debt and equity markets as a business owner, executive, M&A manager, investor and officeholder. He has been providing corporate services for listed companies for over 10 years as a Director, Company Secretary and executive. He has previously held officeholder roles at ASX listed technology companies. Adam is currently Company Secretary for Change Financial and Propell Holdings Limited (ASX:PHL).

Qualifications

- Bachelor of Economics
- Master in Commerce
- Graduate Diploma in Information Systems
- Graduate Diploma in Applied Corporate Governance

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 June 2021, 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
Benjamin Harrison	14	14	2	2
Harley Dalton	14	14	2	2
Ian Leijer[1]	14	14	2	0

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

Remuneration report (audited)

The Directors are pleased to present your Company's 2021 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;
- 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 three components:

- base pay and benefits, including superannuation; and
- short term incentives;
- 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 and 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:

- Benjamin Harrison (Non-Executive Chairman)
- Harley Dalton (Non-Executive Director)
- Ian Leijer (Executive Director)

In addition to the Directors, the following executives that report directly to the Board or CEO are key management personnel:

- Alastair Wilkie (Chief Executive Officer – appointed 25 October 2019)
- Clayton Fossett (Chief Operating Officer)
- Vinnie D'Alessandro (Chief Technology Officer – appointed 16 November 2020)

Subsequent to year end Mr Tony Sheehan was appointed as Chief Financial 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.

2021

Name	Short Term Benefits		Post-Employment Benefits	Long Term Benefits	Share Based Payments	Total
	Cash salary and fees US$	Non-monetary benefits US$	US$	US$	US$	US$
Non-executive Directors						
Harley Dalton[3]	59,939	-	-	-	-	59,939
Benjamin Harrison[3]	59,939	-	-	-	-	59,939
Subtotal	**119,878**	**-**	**-**	**-**	**-**	**119,878**
Executive Directors						
Ian Leijer	92,945	-	-	-	-	92,945
Subtotal	**92,945**	**-**	**-**	**-**	**-**	**92,945**
Key Management Personnel						
Alastair Wilkie[2]	240,612	-	14,410	3,948	20,845	279,815
Clayton Fossett	209,876	4,105	-	-	-	213,981
Vinnie D'Alessandro[4]	129,268	-	11,421	1,960	3,821	146,470
Subtotal	**579,756**	**4,105**	**25,831**	**5,908**	**24,666**	**640,266**
Total	**792,579**	**4,105**	**25,831**	**5,908**	**24,666**	**853,089**

2020

Name	Short Term Benefits		Post-Employment Benefits	Long Term Benefits	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
Benjamin 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 Personnel						
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$22,477 (2020: US$24,371) each of management & consulting services. Refer to section (e) below
[4] Mr D'Alessandro was appointed 16 November 2020. Consulting fees paid by Change to Mr D'Alessandro prior to 16 November 2020 are not included

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.

In the current or prior years 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;
- Reimbursement of specified expenses incurred in undertaking the role; and
- Payment for services outside the normal scope of the ordinary duties of the Director at a rate of A$2,000 per day.

Benjamin 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; and
- 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$350,000 per annum (including statutory superannuation contributions) which is reviewed annually;
- An annual incentive bonus of A$20,000, payable subject to satisfactory achievement of KPI's;
- Amendment to initial grant of options (details in subsection (d) below);
- Entitled to reimbursement of specified expenses incurred in his employment; and
- Termination – 6 months' notice by either party except for serious misconduct where the Company can terminate immediately.

Clayton Fossett (COO)

- Term of agreement – no fixed term;
- Base salary of US$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.

Vinnie D'Alessandro (CTO)

- Term of agreement – no fixed term;
- Base salary of A$273,750 per annum (including statutory superannuation contributions) which is reviewed annually;
- An annual incentive bonus of A$30,000, payable subject to satisfactory achievement of KPI's;
- Termination – 3 months' notice by either party except for serious misconduct where the Company can terminate immediately; and
- Initial grant of options (details in subsection (d) below).

(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 27 May 2021:

Tranche	Expiry	Term (years)	Strike Price A$	Fair Value at Grant Date A$	Number	Vesting Conditions	% Vested At 30 June 21
Tranche 3a	28 Oct 2022	1.5	0.200	0.0217	1,000,000	Yes	Nil%
Tranche 4a	28 Oct 2022	1.5	0.300	0.0117	1,000,000	Yes	Nil%
Total					**2,000,000**		

Tranche 3a and tranche 4a replace the options issued to Mr Wilkie in the prior year. The revised vesting conditions are set out below:

Tranche 3a: When the Group achieves agreed revenue targets for a trailing twelve month (TTM) period
Tranche 4a: When the Group is at operating breakeven including capitalised development costs

The following options were issued to Vinnie D'Alessandro 27 May 2021:

Tranche	Expiry	Term (years)	Strike Price A$	Fair Value at Grant Date A$	Number	Vesting Conditions	% Vested At 30 June 21
Tranche 1	16 Nov 2023	2.5	0.200	.0357	500,000	Yes	Nil%
Tranche 2	16 Nov 2023	2.5	0.260	.0283	1,000,000	Yes	Nil%
Total					**1,500,000**		

The vesting conditions for the options are set out as follows:

Tranche 1: Completion of one year's employment and delivery of Project Gene Splice phases I and II
Tranche 2: Completion of two year's employment and delivery of Project Gene Splice phase III and implementation of that product in two customers

(ii) Option holdings

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

2021

Name	Balance at the start of the period	Granted during the year	Cancelled during the year	Lapsed & forfeited during the year	Balance at the end of the period	Total vested at 30 June 21	Exercisable at 30 June 21	Unexercisable at 30 June 21
Directors								
Benjamin Harrison	-	-	-	-	-	-	-	-
Harley Dalton	-	-	-	-	-	-	-	-
Ian Leijer	-	-	-	-	-	-	-	-
Key Management Personnel								
Clayton Fossett	850,000	-	-	(100,000)	750,000	750,000	750,000	-
Alastair Wilkie	3,500,000	2,000,000	(2,000,000)	-	3,500,000	1,500,000	1,500,000	2,000,000
Vinnie D'Alessandro	-	1,500,000	-	-	1,500,000	-	-	1,500,000

2020

Name	Balance at the start of the period	Granted during the year	Cancelled during the year	Lapsed & forfeited during the year[1]	Balance at the end of the period	Total vested at 30 June 20	Exercisable at 30 June 20
Directors							
Benjamin Harrison	-	-	-	-	-	-	-
Harley Dalton	-	-	-	-	-	-	-
Ian Leijer	-	-	-	-	-	-	-
Teresa Clarke	-	-	-	-	-	-	-
Key Management Personnel							
Clayton Fossett	450,000	750,000	-	(350,000)[1]	850,000	850,000	850,000
Alastair Wilkie	-	3,500,000	-	-	3,500,000	-	-

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

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.

(iii) Share holdings

The numbers of shares in the Company held during the financial year by each Director of Change Financial Limited and 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 2021	Balance at the start of the period	Balance at appointment/ (resignation)	Purchased	Balance at the end of the period
Directors				
Harley Dalton	804,470	-	14,156,508	14,960,978
Benjamin Harrison	120,670	-	1,353,000	1,473,670
Ian Leijer	4,072,529	-	740,459	4,812,988
Key management personnel				
Clayton Fossett	38,800	-	-	38,800
Alastair Wilkie	3,643,644	-	1,579,947	5,223,591
Vinnie D'Alessandro	-	-	17,727	17,727

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				
Harley Dalton	402,235	-	402,235[2]	804,470
Benjamin Harrison	60,335	-	60,335[2]	120,670
Ian Leijer	3,072,529	-	1,000,000[2]	4,072,529
Teresa Clarke	-	-	-	-
Key management personnel				
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

(e) Other Transactions with key management personnel

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

A Director, Mr Harley 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 market commercial terms and conditions. The Company also engaged AAP to provide accounting and bookkeeping services. These services were provided on market commercial terms.

A Director, Mr Benjamin Harrison, is Chief Investment Officer of Altor Capital Pty Limited and during the period Mr Harrison was a director of AAP.

Transactions with key management personnel	2021 US$	2020 US$
Amounts recognised as expense		
Accounting and bookkeeping fees	44,955	10,091
Amounts recognised in equity (cost of funds raised)		
Capital raising & management fees	128,688	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
2021	853,089	(0.009)	0.0	0.11

End of Remuneration Report

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
28 Oct 2019	28 Oct 2022	A$0.001	500,000
28 Oct 2019	28 Oct 2022	A$0.20	1,000,000
27 May 2021[1]	28 Oct 2022	A$0.20	1,000,000
27 May 2021[1]	28 Oct 2022	A$0.30	1,000,000
5 Dec 2019	5 Dec 2022	A$0.20	750,000
27 May 2021[2]	16 Nov 2023	A$0.20	650,000
27 May 2021[3]	16 Nov 2023	A$0.26	1,150,000
Total			**6,050,000**

[1] Issued to Mr Wilkie - refer section (ii) of the Remuneration Report
[2] Includes 500,000 issued to Mr D'Alessandro - refer section (ii) of the Remuneration Report
[3] Includes 1,000,000 issued to Mr D'Alessandro – refer section (ii) of the Remuneration Report

No shares have been issued during the financial year or subsequent to balance date as the result of the exercise of options (2020: nil)

Environmental Regulations

There are no environmental regulations that specifically apply to the Company.

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 as 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 end of 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.

Dividends - Change Financial Limited

The Directors of Change Financial Limited do not recommend the payment of a dividend for the 12 months ending 30 June 2021 (2020: 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 30 August 2021

Benjamin Harrison
Chairman

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 2021, to the best of my knowledge and belief there have been:

(i) No contraventions of the auditor independence requirements of the *Corporations Act 2001*; and

(ii) No contraventions of APES 110 *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

DANIEL COLWELL
Partner

Brisbane, Queensland
30 August 2021

Corporate Governance Statement

The Board of Directors (Board) of Change Financial Limited ('Change', 'Company' or 'Group') is responsible for the corporate governance of Change and its subsidiaries. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

Commensurate with the spirit of the ASX Corporate Governance Principles and Recommendations (4th Edition) (Principles or Recommendations), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for the corporate governance practices, taking into account factors such as the size of the Company and the Board, resources available and activities of the Company. Where the Company's corporate governance practices depart from the recommendations, the Board has offered full disclosure of the nature and reason for the departure.

The Board will periodically review and develop its governance policies and practices as the Company grows in size and complexity.

The Corporate Governance Charter is available from the Company and is available on its website at www.changefinancial.com.

This statement was authorised for issue by the Board on 30 August 2021.

Principle 1 : Lay solid foundations for management and oversight

1.1 Board and management functions

The Board has formalised its roles and responsibilities into a Charter within its Corporate Governance Charter that is available on the Company's website. The Board Charter clearly defines the matters that are reserved for the Board and those that the Board has delegated to management.

In summary the responsibilities of the Change Board include:

- oversight of the Company, including its control and accountability systems;
- setting the Company's major goals including the strategies and financial objectives to be implemented by management;
- appointing, removing and managing the Chief Executive Officer;
- ratifying the appointment and where appropriate the removal of the Chief Financial Officer and/or Company Secretary;
- input into and final approval of managements' development of corporate strategy and performance objectives;
- reviewing and ratifying systems of risk management and internal compliance and control, codes of conduct and legal compliance;
- monitoring senior management's performance and implementation of strategy, and ensuring that appropriate resources are available;
- approving and monitoring the progress of major capital expenditure, capital management and acquisitions and divestitures;
- approving and monitoring financial and other reporting; and
- instilling sound corporate governance practices in the Board and executive.

In carrying out its responsibilities and functions, the Board may delegate any of its powers to a Board Committee, a Director or an employee. However, the Board acknowledges that it retains the ultimate responsibility for the exercise of such powers under the Corporations Act 2001 (Cth).

The Board has delegated responsibility to the Chief Executive Officer for:

- developing and implementing corporate strategies and making recommendations on significant corporate strategic initiatives;
- maintaining an effective risk management framework and keeping the Board and market fully informed about material risks;
- developing Change's annual budget, recommending it to the Board for approval and managing day to day operations within the budget;
- managing day to day operations in accordance with standards for social and ethical practices which have been set by the Board; and
- approval of capital expenditure and business transactions within predetermined limits set by the Board.

1.2 Appointment of Directors

The Company performs appropriate checks of any person to be appointed as a Director, either by the Board or nominated by shareholders. These checks include details of the person's character, experience, education, criminal record and bankruptcy.

The Company will provide the following information to shareholders to enable them to make an informed decision as to whether to elect a Director for the first time:

- biographical details including relevant qualifications, experience and skills that they bring to the Board;
- details of any other material Directorships currently held;
- any materially adverse information revealed by the checks the Company has performed about the candidate;
- any interest, position, association or relationship that might influence, or reasonably be perceived to influence, in a material respect the candidate's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the Company and its shareholders generally;
- whether the Board considers that, if elected, the candidate will qualify as an independent Director; and
- whether the Board supports the election of the candidate.

The Company will provide the following information to shareholders to enable them to make an informed decision as to whether to re-elect a Director standing for re-election:

- biographical details;
- relevant qualifications, experience and skills they bring to the Board;
- details of any other material Directorships currently held;
- term of office currently served;
- whether the Board considers the Director an independent Director; and
- if the Board supports their re-election.

1.3 Written Agreements

The Company ensures that all Directors and senior executives enter into written agreements setting out the terms of their appointment to ensure that they have a clear understanding of their roles and responsibilities and of the Company's expectations of them. Material terms of contracts of employment are included in the Remuneration Report which is published in the Annual Report each year.

1.4 Company Secretary

The Company Secretary is accountable directly to the Board. The Company Secretary advises the Board on governance matters, ensures Board policies and procedures are followed, dispatches board papers in a timely manner, accurately records the minutes of meetings and assists in the induction and professional development of Directors. The appointment or removal of the Company Secretary is a matter for the Board.

1.5 Diversity

The Board has a formal Diversity Policy that is included in its Corporate Governance Charter. In summary:

The Company respects and values diversity (which includes but is not limited to gender, age, disability, ethnicity, marital or family status, religious beliefs, socio-economic background, perspective, experience, cultural background, sexual orientation and gender identity), and the benefit of its integration throughout the Company to enrich the Company's perspective, improve corporate performance, increase shareholder value and maximise the probability of achievement of the Company's goals. The Company acknowledges that diversity is important to the Company's ability to attract, retain and motivate employees from the widest possible pool of available talent and the Company is committed to diversity at all levels (Principle).

The Company established a formal diversity policy during the second half of the 2021 financial year. Due to its recent establishment and the limited number of personnel employed by the Company and the nature of its current activities, the 2022 financial year will be the first year in which the Company will report against this policy.

With respect to gender diversity, management will develop measurable objectives for approval by the Board, set targets and periodically report against those targets.

Change aims to achieve an appropriate mix of diversity on its Board, in senior management and throughout the organisation.

The Board of Change has three Directors, all of which are male. In the senior executive the Company has no female employees and five male employees. A 'senior executive' is defined as the C-suite level inclusive of the CEO, CFO, CTO and CPO. The total number of female employees is 22 which accounts for 24% of all employees. 17% of the management team inclusive of the C-Suite are female.

Change is not a 'relevant employer' as defined under the Workplace Gender Equality Act.

1.6 & 1.7 Board & Executive Performance Evaluation

The Board has adopted an on-going, self-evaluation process to measure its own performance, that of individual Directors (including Executive Directors) and the performance of its committee functions during the reporting period.

The Chairman meets periodically with the individual Directors to discuss the performance of the Board and the Director. The Chairman's performance is also evaluated by the balance of the Board. In addition, an evaluation is undertaken by the Chairman of the contribution of Directors retiring by rotation prior to the Board endorsing their candidature.

The review process involves consideration of the Board's key areas of responsibility and accountability and is based on an amalgamation of factors including capability skill levels, understanding of industry complexities, risks and challenges, and the extent of their value-adding contribution to the performance of the board and the overall the business.

Similarly, the CEO conducts a review of the performance of all executives based on the above factors and the performance goals assigned to the executive.

A performance evaluation of the Board, its committees, Directors (including the Chairman) and executives takes place during each annual reporting period in accordance with the process detailed within this statement. The respective processes for the board and executive was carried out during the 2021 financial year.

The outcomes of the assessment program are used to enhance the effectiveness of individual Directors and the Board collectively, and that of the executives.

Principle 2: Structure the Board to add value

2.1 Nomination Committee

The Company has not formally established a Nominations Committee as the Directors consider that the Company 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 set out in the Corporate Governance Charter and summarised below in regard to board succession.

Should the Board deem that a director vacancy exists, the Board then identifies candidates with the appropriate expertise and experience, using external consultants as appropriate. The most suitable candidate is appointed but must stand for election at the next annual general meeting following their appointment.

The process for re-election of a Director is in accordance with the Company's Constitution, which requires that each year, at least one-third of the Directors (excluding a Managing Director) retire from office at the annual general meeting. The retiring Directors may be eligible for re-election.

2.2 Skills matrix

The Board has identified the skills and competency of each Board member. It has elected not to adopt Recommendation 2.2 as it considers that its current practices of identifying skills and competency are an efficient means of meeting the needs of the Company, particularly having regard to the fact that Change is a relatively small publicly listed Company by comparison to other listed entities which is reflected by the size of its operations, Board structure and composition.

2.3 Composition of the Board

The Board is currently comprised of three directors in total. During the 2021 financial year two of the Directors were deemed to be non-executive with one director being executive due to having a contractual relationship for services in addition to their director appointment.

Mr Ian Leijer fulfilled the main finance functions of the Group until the appointment of a CFO in July 2021, following which he has assisted with the handover, and it is anticipated that he will then continue as a non-executive director.

The Board has formed a view that Mr Benjamin Harrison and Mr Harley Dalton cannot be considered to be independent on account of their association with Altor Capital Management Pty Ltd, a firm that has been engaged in capital raising activities during the last two financial years for which it has been paid fees commensurate with industry norms.

The profiles of the Directors, their tenure, skills, experience and expertise are set out in the Directors' Report of the 2021 Annual Report.

2.4 Independence

The Board considers a Director to be independent where he or she is:

- independent of management, that is a non-executive Director; and
- free from any business or other relationship that could materially interfere, or could reasonably be perceived to materially interfere, with the exercise of his or her unfettered and independent judgement.

Materiality is assessed on a case-by-case basis by reference to the Director's individual circumstances rather than any general materiality thresholds.

The Board has made its own assessment to determine the independence of each Director. It is the Board's view that none of the directors can be deemed independent due to having an executive role in the group.

In view of the size of the Company and the nature of its activities, the Board considers that the current mix of skills, experience, qualifications, and experience on the Board is appropriate. The Board will continue to monitor the requirements for independent Directors in the context of the Company's communicated objectives.

2.6 Induction program & professional development

Procedures for the induction of new Directors are in place to allow newly appointed Directors to participate fully and actively in Board decision-making at the earliest opportunity.

All Directors are offered an induction program appropriate to their experience upon appointment so as to familiarise themselves with matters relating to the business, strategy and any current issues under consideration by the Board. This program consists of written background material on the Company and its operations as well as scheduled meetings with the Chairman, CEO and Company Secretary of the Company.

The Board encourages Directors to continue their professional development by participating in applicable workshops and seminars, as well as undertaking other relevant external education.

Principle 3 : Act Ethically and Responsibly

3.1 Induction program

The Board has an approved a Code of Conduct which applies to all Directors, executives, management and employees without exception.

The Code of Conduct is included in the Corporate Governance Charter that is available on the Company's website. In summary, the code is designed to ensure that:

- high standards of corporate and individual behaviour are observed by all Directors, executives, management and employees in the context of their respective roles and the performance of their duties with the Company;
- Directors, executives, management and employees are aware of their responsibilities to the Company under the terms of their appointment or contract of employment; and
- all of the stakeholders of the Company can be guided by the stated values and policies of the Company.

In summary, the Code provides that all Directors and senior executives must:

- act honestly, in good faith and in the best interests of the Company;
- use due care, skill and diligence in fulfilling their duties;
- use the power of their position for a proper purpose, in the interest of the Company;
- not make improper use of information acquired by virtue of their position;
- not allow personal interest, or those of associates, to conflict with the interest of the Company;
- exercise independent judgement and actions;
- maintain the confidentiality of Company information acquired by virtue of their position; not engage in conduct likely to discredit the Company; and
- comply at all times with both the spirit and the letter of the law, as well as policies of the Company.

Principle 4: Safeguard integrity in corporate reporting

4.1 Audit Committee

The Company has established an Audit & Risk Committee that consists of two directors. The Chairman of the Audit & Risk Committee is Mr Harley Dalton, who is not an independent director however he is not the Chairman or an executive of the Company.

The Board considers that the technical skills, qualifications and experience represented by the involvement of its members Mr Harley Dalton (Chair) and Mr Benjamin Harrison are most suited to the effective discharge of the responsibilities of this Committee.

The Board will monitor the level of participation in the Committee as the Company grows and consider any additional Directors that are appointed to the Board.

The Committee's roles and responsibilities are detailed in a formalised Audit & Risk Committee Charter that is included in the Corporate Governance Charter available on the Company's website.

Reflecting the relatively small size of the Company the Audit & Risk Committee is responsible for:

- reviewing the annual and half year financial reporting carried out by the Company;
- reviewing the accounting policies of the Company;
- reviewing the scope of the external auditors and internal auditor/compliance team (if appointed) and any material issues arising from these audits;
- overseeing the independence of the external auditors and determining procedures for the rotation of audit partners;
- ensuring the sufficiency of, and compliance with, ethical guidelines and Company policies affecting corporate governance, financial reporting and corporate control together with compliance with laws and external regulations;
- identification of the full range of actual or potential risk exposures which are material to the Company; and
- the effectiveness of the group's risk management systems and strategies.

4.2 CEO and CFO Declaration

Each year the Chief Executive Officer and the Chief Financial Officer provide the Board with written confirmation that:

- the consolidated financial statements for each half year and full 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 accounting standards; and
- the declarations provided in accordance with Section 295A of the Corporations Act are founded on a sound system of risk management and internal control, and that the system is operating effectively in all material respects in relation to financial reporting risks.

The Board has received this assurance from the Chief Executive Officer and the Chief Financial Officer this financial year.

4. 3 External auditor attendance at AGM

The Company ensures that the lead audit partner or their representative attends the AGM in order to be available to answer questions from shareholders pertaining to the audit.

Principle 5: Make timely and balanced disclosure

5.1 Written disclosure policy

Comprehensive procedures are in place to identify matters that are likely to have a material effect on the price or value of the Company's securities and to ensure that those matters are notified to the ASX in accordance with ASX disclosure requirements.

The continuous disclosure policy is in included in the Corporate Governance Charter that is available on the Company's website.

In accordance with that policy, the Company's Senior management and the Board are responsible for scrutinising events and information to determine whether the disclosure of the information is required in order to maintain the market integrity of the Company's shares listed on the ASX.

Principle 6: Respect the rights of security holders

6.1 Company & governance information

The Company provides general and current information regarding its purpose, Board and leadership and its activities on its website at www.changefinancial.com. The Company's Corporate Governance Charter is also publicly available on the site: https://changefinancial.com/corporate-governance/.

6.2 Investor relations program

The Company has engaged an external investor relations group to assist in developing and executing on its investor relations program. Within this program the Company encourages two-way communication through inviting shareholders and investors to contact the company on each external communication and ASX release. It also arranges investor webinars following the release of each financial report that includes an allocation of time for investor questions.

6.3 Security holder participation at meetings

Shareholders are encouraged to attend all AGM's or general meetings and are given the opportunity to meet management immediately following all meetings. In addition, management will respond to meeting or information requests by shareholders in a timely manner.

The Company uses its general meetings (GM) as an opportunity to further engage with its shareholders and seek their input on the management of the Company. The Company will undertake a number of steps to seek to maximise shareholders' ability to participate in the GM process by:

(a) making Directors, members of management and the external auditor available at the AGM;
(b) allowing shareholders in attendance at a GM a reasonable opportunity to ask questions regarding the items of business, including questions to the external auditor regarding the conduct of the audit and the preparation and content of the auditor's report; and
(c) providing shareholders who are unable to attend a GM with an opportunity to submit questions in advance of the GM.

6.4 Electronic communication

The Company's website contains a facility for shareholders to direct inquiries to the Company and to elect to receive communications from the Company via email. The Company's securities registrar similar provides shareholders with the option of receiving information electronically, as well as the details to communicate and access information regarding their holdings.

Principle 7: Recognise and manage risk

7.1 & 7.2 Risk Committee & review

The Company has established an Audit & Risk Committee that consists of two directors. The Chairman of the Audit & Risk Committee is Mr Harley Dalton, who is not an independent director however he is not the Chairman or executive of the Company.

The Board considers that the technical skills, qualifications and experience represented by the involvement its members Mr Harley Dalton (Chair) and Mr Benjamin Harrison are most suited to the effective discharge of the responsibilities of this Committee.

The Board will monitor the level of participation in the Committee as the Company grows and consider any additional Directors that are appointed to the Board.
The Committee's roles and responsibilities are detailed in a formalised Audit & Risk Committee Charter that is included in the Corporate Governance Charter that is available on the Company's website.

The Audit & Risk Committee is responsible for the Company's risk management framework. It sets the risk appetite and profile for management, reviewing and updating if required.

Management through the CEO is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system. Management reports to the Committee on the risk management and control environment on a regular basis.

The Committee, in conjunction with the external auditors, monitors the effectiveness of management's internal control and reporting system.

The risk framework of the Company is reviewed at least annually and has been reviewed during the year.

7.3 Internal audit function

The Company has not implemented an internal audit function due to the relatively small size of its current operations. The Board believes that the Audit & Risk Committee and the external auditors are able to monitor the effectiveness of the Company's control environment at this stage of the Company's development.

7.4 Economic, Environmental or Social Sustainability

The Company is cognisant that the business community should address matters of economic, environmental and social sustainability and the need to be transparent on these matters to enable investors to properly assess investment risk. Given its size and nature of operations, the Company does not consider that it has any exposure to economic, environmental or social sustainability risks.

Principle 8: Remunerate fairly and responsibly

8.1 Remuneration Committee

Due to the Company's relatively small size a separate Remuneration Committee has not yet been established. The responsibilities of a Remuneration Committee are carried out by the Board.

8.2 Non-Executive Director & Executive Remuneration

The aggregate remuneration of non-executive Directors is approved by shareholders. Individual Directors' remuneration is determined by the Board within the approved aggregate total. In determining the appropriate level of Director's fees, the Remuneration & Nomination Committee benchmarks data from other public companies of a similar nature to Change with regard to its size and industry.

Non-executive Directors of Change as applicable, are:

- not entitled to participate in performance-based remuneration practices unless approved by shareholders; and
- currently remunerated by means of payment of cash benefits in the form of Directors' fees or alternatively by issue of securities in lieu of cash benefits provided it is approved by shareholders.

The Company does not currently have in place a retirement benefit scheme or allowance for its non-executive Directors, except for the payment of superannuation if applicable.

A review of the compensation arrangements for the Chief Executive Officer and senior executives is conducted annually by the Board and in future with the support of the Remuneration & Nomination Committee, taking into consideration the performance of the individual executive, salary packages paid to executives in other public companies of a similar size or market section, market competitive rates and the results of the Company during the relevant period.

The objective of the Company's remuneration policy is not only to provide a salary package that properly reflects the person's duties and responsibilities, but to also attract, retain and motivate the executive to the highest possible quality and standard, enabling the organisation to succeed.

The Company has an Employee Share Option Plan (ESOP) which provides the Board with the discretion to grant equity to eligible Directors (subject to shareholder approval), executives and consultants for the purpose of incentivizing them and aligning their interests with those of shareholders.

The Board ensures that the payment of equity based executive remuneration is made in accordance with thresholds and rules established by the ESOP.

The Company's policies relating to the remuneration of Directors and Senior Executives and the level of remuneration paid each year (including components) is detailed in the Remuneration Report of the Annual Report and Notes to and forming part of the Financial Statements.

8. 3 Hedging arrangements

Directors and executives may not engage in hedging arrangements, deal in derivatives or enter into other arrangements which vary economic risk related to the Company's securities including, for example, dealing in warrants, equity swaps, put and call options, contracts for difference and other contracts intended to secure a profit or avoid a loss based on fluctuations in the price of the Company's securities.

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 is:

Level 11, 82 Eagle Street
Brisbane QLD 4000

Its 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 7, which is not part of these financial statements.

The financial statements were authorised for issue by the Directors on 30 August 2021. 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

Consolidated Statement of Profit or Loss

Year ended 30 June	Note	2021	2020
		US$	US$
Revenue and other income	4	6,313,343	258,312
Employee benefits expense		(5,451,265)	(1,684,449)
Advertising & marketing expense		(36,616)	(41,736)
Program expenses		(297,129)	(125,964)
Professional services & insurance		(555,592)	(378,204)
Consulting fees		(782,937)	(485,911)
Technology & Hosting		(842,616)	(503,006)
Depreciation & amortisation expense	5	(635,453)	(12,481)
Business acquisition expenses	21	(175,013)	-
Impairment of lease receivable	9	(326,432)	-
Finance expense	5	(19,549)	(259,794)
Other expenses		(479,148)	(279,407)
Profit (loss) before tax	5	**(3,288,407)**	**(3,512,640)**
Income tax (expense) benefit	6	(188,975)	-
Profit (loss) from operations		**(3,477,382)**	**(3,512,640)**
Basic loss per share (US cents per share)	23	(0.9)	(2.8)
Diluted loss per share (US cents per share)	23	(0.9)	(2.8)

Consolidated Statement of Comprehensive Income

Year ended 30 June	Note	2021	2020
		US$	US$
Income (loss) of the year		(3,477,382)	(3,512,640)
Other comprehensive income (loss)			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		304,877	134,843
Total comprehensive income/(loss) for the year		**(3,172,505)**	**(3,377,797)**

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

Consolidated Statement of Financial Position

As at	Note	30 Jun 2021 US$	30 Jun 2020 US$
Current assets			
Cash and cash equivalents	7	4,019,001	2,966,200
Trade and other receivables	8	2,360,898	231,875
Lease receivable – current	9	-	161,980
Other current assets	11	368,203	5,564
Total current assets		**6,748,102**	**3,365,619**
Non-current assets			
Property, plant & equipment	12	460,953	-
Lease receivable – non-current	9	-	189,472
Intangible assets	13	5,513,817	-
Total non-current assets		**5,974,770**	**189,472**
TOTAL ASSETS		**12,722,872**	**3,555,091**
Current liabilities			
Trade and other payables	14	1,351,738	631,393
Provisions	15	1,035,100	154,285
Lease liability - current	9	297,380	153,287
Contract liabilities	10	2,714,047	-
Other current liabilities	16	-	111,165
Total current liabilities		**5,398,265**	**1,050,130**
Non-current liabilities			
Provisions	15	39,559	-
Lease liabilities – non-current	9	264,378	179,388
Total non-current liabilities		**303,937**	**179,388**
TOTAL LIABILITIES		**5,702,202**	**1,229,518**
NET ASSETS		**7,020,670**	**2,325,573**
Equity			
Contributed equity	17	42,519,906	34,767,894
Reserves	18	4,687,166	4,266,699
Accumulated losses	19	(40,186,402)	(36,709,020)
TOTAL EQUITY		**7,020,670**	**2,325,573**

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

Consolidated Statement of Changes in Equity

	Contribued Equity US$	Reserves US$	Accumulated Losses US$	Total Equity US$
Balance at 1 July 2019	29,582,499	3,942,740	(33,222,910)	302,329
Change of accounting policy (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 loss for the period	**-**	**134,843**	**(3,512,640)**	**(3,377,797)**
Transactions with owners in their capacity as owner				
Options issued	-	189,116	-	189,116
Contributions (net of costs)	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**
Balance at 1 July 2020	34,767,894	4,266,699	(36,709,020)	2,325,573
Profit (loss) for the year	-	-	(3,477,382)	(3,477,382)
Exchange differences on translation of the foreign operations	-	304,877	-	304,877
Total comprehensive loss for the year	**-**	**304,877**	**(3,477,382)**	**(3,162,185)**
Transactions with owners in their capacity as owner				
Options issued	-	115,590	-	115,590
Contributions (net of costs)	7,752,012	-	-	7,752,012
Total	**7,752,012**	**115,590**	**-**	**7,867,602**
Balance at 30 June 2021	**42,519,906**	**4,687,166**	**(40,186,402)**	**7,020,670**

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

Consolidated Statement of Cash Flows

Year ended 30 June	Notes	2021 US$	2020 US$
Cash flow from operating activities			
Receipts from customers		6,091,317	4,102
Payments to suppliers and employees		(7,879,153)	(3,117,723)
Interest received		10,790	22,807
Interest paid		(19,549)	(22,456)
Government grant programs		60,549	230,000
R&D tax offset		-	14,224
Net cash used in operating activities	**20**	**(1,736,046)**	**(2,869,046)**
Cash flow from investing activities			
Proceeds from sale of property, plant & equipment		-	500
Payment for plant & equipment		(41,003)	-
Payment for software development		(664,510)	-
Receipts from sublease excluding (interest received)		25,020	147,148
Business acquired	21	(4,492,416)	-
Proceeds from sale of investment		-	200,000
Net cash provided by/(used in) investing activities		**(5,172,909)**	**347,648**
Proceeds from financing activities			
Proceeds from share issue		8,358,600	3,372,572
Proceeds from convertible note funding		-	951,391
Cost of funding		(606,588)	(218,405)
Payments of lease liabilities (excluding interest paid)		(190,098)	(139,395)
Net cash provided by financing activities		**7,561,914**	**3,966,163**
Net increase (decrease) in cash held		**652,959**	**1,444,765**
Reconciliation of cash			
Cash at the beginning of the financial year		2,966,200	1,464,976
Net increase (decrease) in cash held		652,959	1,444,765
Foreign exchange difference on cash holding		399,842	56,459
Cash and cash equivalents at end of the year	**7**	**4,019,001**	**2,966,200**

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

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 2021 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 The impact of new and revised standards has not been material.

d) 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 2021. 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.

e) 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.

f) Foreign Currency Translation 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
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.

g) Revenue

(i) Revenue from contracts with customers

The Group derives its revenues from maintenance, support, professional services and license fees.

A single, principles-based five-step model to revenue recognition is applied to all contracts with customers: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognise revenue when (or as) the entity satisfies a performance obligation.

Maintenance and support
Maintenance provides customers with rights to unspecified software product upgrades and maintenance enhancements. Support provides customers with rights to access the help desk during the term of the support period. Maintenance and support is recognised over time as performance obligations are satisfied.

Professional services
Software implementation and development services represents revenue from consulting, training and implementation services sold separately under professional services contracts. Fixed price arrangements are accounted for over time on a percentage-of-completion basis as performance obligations are satisfied using the input method.

Software licence
Software licence revenues are earned from granting customers licences to use the Group's software, either through an initial licence or through the purchase of additional modules or user rights, but excludes any amounts that are related to maintenance. Revenue is recognised at the point the software is delivered, functional and control has been passed to the customer. The Group includes software that is either sold on a term basis or perpetual basis but excludes software licences that are sold on a subscription payment basis.

The Group consider that licence fees may be recognised upfront if:

- the arrangement with the customer does not require significant development, modification or customisation of the software solution;
- there are no contingencies on the licences that could cause deferral of revenue (e.g. refund clauses attached to the licence) i.e. no amounts are refundable;
- the contract is non-cancellable and there are no break clauses considered substantive; and
- there is no remaining obligation for the Group attached to the licence.

Contract assets
A contract asset is recognised when a conditional right to consideration exists and transfer of control has occurred. They are typically related to unbilled receivables balances which have not yet been invoiced and arises when the Group satisfied a performance obligation before it receives the consideration and are generally related to professional services contracts.

Contract liabilities
Fees for services received in advance are recorded as a liability within contract liabilities on the Consolidated Statement of Financial Position and these amounts are recognised in the profit or loss over the relevant period of the contract which is in line with the provision of the services. Fees are typically received in advance for maintenance and support services and for professional services.

(ii) 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.

h) 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.

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

Trade and other receivables
Trade receivables are 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 – refer note 25.

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 based on the effective interest rate method.

Financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

j) 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
Office equipment	25%	Straight line

k) Intangibles

(i) Business contracts and relationships

Business contracts and relationships acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being seven years.

(ii) **Software development**

Software development is capitalised as an asset and is amortised on a straight-line basis over the period of their expected benefit, being their finite life of five to eight years. Research costs are expensed as incurred.

An intangible asset arising from development expenditure on an internal project is recognised only when the Consolidated Entity can demonstrate the following: technical feasibility of completing the intangible asset so that it will be available for use or sale, the intention to complete and the ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the development and the ability to measure reliably the expenditure attributable to the intangible asset during its development. Following initial recognition of the development expenditure, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Any expenditure so capitalised is amortised over the period of expected benefits from the related project date. Technological feasibility for software products is reached shortly before the products are released for commercial sale to customers. Development costs incurred after technological feasibility are established are not capitalised.

Intangible assets acquired separately are capitalised at cost, and if acquired as a result of a business combination, capitalised at fair value as at the date of acquisition. Following initial recognition, the cost model is applied to all classes of intangible assets. The useful lives of the intangible assets are assessed to be either finite or indefinite. Where amortisation is charged on intangible assets with finite lives, this expense is taken to the Profit and Loss through the 'depreciation and amortisation expense' line item. Intangible assets with finite lives are tested for impairment where an indicator of impairment exists. Useful lives are examined on an annual basis and adjustments, where applicable, are made on a prospective basis. Software acquired separately is amortised on a straight-line basis over 5 - 8 years.

l) Impairment of non-financial assets

Intangible assets are tested when there is an indicator of impairment.

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.

m) 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 12 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.

n) 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 Australian 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.

o) 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.

p) 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.

q) 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.

r) Leases

Group as lessee
Leases are 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 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 de-recognised. 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.

During the financial year the sublessee stopped making lease payments in accordance with the sublease contract. The Group is seeking to recover these amounts including taking legal actions. As at 30 June 2021 the Group provided fully for the non-recoverability of the lease receivable given the uncertainty of the amount to be received net of costs of recovery.

2) Critical Accounting Judgments

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.

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.

Project services
The Group recognises revenue from project services based on the proportion of the project that is completed. The Group makes judgments as to the estimated hours required to complete a project which is compared with hours completed to determine the percentage of the project that has been completed.

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 management does not believe that the members of the Group satisfy the criteria set out in AASB112.

3) Operating Segments

The Group's chief operating decision maker, being the Chief Executive Officer, makes financial decisions and allocates resources based on the information received from the Group's internal management system. Currently the group has one reportable segment being the development and provision of card payments software and services. The core products of Change Financial are card management systems, transaction processing and payment simulators.

4) Revenue and Other Income

Year ended 30 June	2021 US$	2020 US$
Revenue from contracts with customers		
License revenue	1,145,147	-
Maintenance & support services revenue	3,276,351	-
Professional services revenue	1,690,471	-
Other sales revenue	18,870	4,101
Subtotal	**6,130,839**	**4,101**
Other revenue and income		
Interest income - lease	10,790	20,232
Interest income - other	-	919
Other income[1]	171,714	118,835
Gain on sale of investment in associate	-	100,001
Research & development tax refund	-	14,224
Total revenue and other income	**6,313,343**	**258,312**

[1]Other income of US$171,714 in 2021 includes US$111,165 (2020: $118,835) of grant income received under the Paycheck Protection Program (PPP) in the USA – refer Note 16. The balance of other income of US$60,548 is an Australian government grant being a COVID 19 cash flow boost.

Revenue from contracts by geographic segment is as follows:

Year ended 30 June	2021 US$	2020 US$
South East Asia	2,825,457	-
Oceania	1,603,344	-
Latin America	1,027,698	-
United States of America	467,331	-
Rest of World	207,009	4,101
Total revenue from contracts	**6,130,839**	**4,101**

Revenue from contracts by product segment is set out in the following table:

Year ended 30 June	2021 US$	2020 US$
Vertexon	3,653,011	-
PaySIM	2,113,851	-
Other	363,977	4,101
Total revenue from contracts	**6,130,839**	**4,101**

5) Expenses

Year ended 30 June	2021 US$	2020 US$
Profit / loss before income tax has been determined after:		
Amortisation and depreciation		
Depreciation of property, plant & equipment	99,823	12,481
Amortisation of intangibles	535,630	-
Total amortisation and depreciation	**635,453**	**12,481**
Share based payments expense	115,590	189,116
Superannuation expense	228,939	10,018
Finance expense		
Interest expense - lease	19,549	19,444
Interest expense - other	-	166,656
Amortisation of borrowing costs	-	73,694
Total Finance Expense	19,549	**259,794**

6) Income Tax Expense

Year ended 30 June	2021 US$	2020 US$
Reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(3,288,407)	(3,512,640)
Tax expense (credit) at the Australian tax rate of 30% (2020: 30%)	(854,986)	(1,053,792)
Differences in overseas tax rates	28,550	(258,076)
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income		
Share based payments expense	30,053	56,735
Other	23,766	(4,276)
Deferred tax assets arising on business combination derecognised during the year	188,975	-
Temporary differences not recognised at balance date	297,073	-
Current year tax losses not recognised	475,544	1,259,400
Income tax expense	**188,975**	**-**

Deferred tax assets of $4,789,048 (2020: $2,977,797) in respect of temporary differences and tax losses have not been recognised.

7) Cash and cash equivalents

Year ended 30 June	2021 US$	2020 US$
Cash and cash equivalents	4,019,001	2,966,200

8) Trade & other receivables

Year ended 30 June	2021 US$	2020 US$
Trade receivables	2,458,447	124,614
Allowance for expected credit loss	(230,414)	-
Other current receivables	132,865	107.261
Total trade & other receivables	**2,360,898**	**231,875**

Trade receivables are amounts due from customers for services performed or to be performed in the ordinary course of business. They are generally due for settlement within 30 days of invoicing. Trade receivables are recognised initially at the amount of consideration.

Due to the short-term nature of the trade and other receivables, their carrying amount is considered to be the same as their fair value.

Information about the impairment of trade receivables and the group's exposure to credit risk and foreign currency risk may be found at note 25.

The movement in the expected credit loss provision is set out in the following table:

Year ended 30 June	2021 US$	2020 US$
Opening balance	-	-
Expected credit loss (**ECL**) on acquisition (refer Note 21)	386,522	-
Debts written off against ECL[1]	(156,108)	-
Closing balance	**230,414**	-

[1]The value of these debts were included in gross receivables on acquisition (refer Note 21) and the value included in the ECL provision on acquisition.

9) Leases

Year ended 30 June	2021 US$	2020 US$
Lease receivables		
Lease receivables - current	326,432	161,980
Lease receivables – non-current	-	189,472
Subtotal	**326,432**	**351,452**
Impairment of lease receivables	(326,432)	-
Total – lease receivables	**-**	**351,452**
Lease liabilities		
Lease liabilities – current	297,380	153,287
Lease liabilities – non-current	264,378	179,388
Total lease liabilities	**561,758**	**332,675**

Lease receivable	2021	2020
Reconciliation of movement	US$	US$
Opening Balance	351,452	498,601
Interest accrued	10,790	20,232
Lease repayments	(35,810)	(167,381)
Balance as at 30 June 2021 (before impairment provision)	**326,432**	**351,452**

Lease liability	2021	2020
Reconciliation of movement	US$	US$
Opening Balance	332,675	472,071
New leases entered into	419,181	-
Interest accrued	19,549	19,444
Lease repayments	(209,647)	(158,840)
Balance as at 30 June 2021	**561,758**	**332,675**

Lease liabilities are in relation to property leases for office space. The lease in Los Angeles 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. During the year the sublessee stopped making payments in accordance with the sublease. A provision for the full amount of the lease receivable has been made.

During the year the Company entered into 2 leases for office space in Auckland and Melbourne. The term of those leases is between 2 and 4 years.

10) Contract liabilities

As at	30 Jun 2021	30 Jun 2020
	US$	US$
Contract liabilities	2,714,047	-

The contract liabilities represent maintenance, services fees and project services fees invoiced in advance of the service being provided. Maintenance and service fees are invoice for periods of 3 to 12 months in advance of the maintenance or service period. A proportion of each project undertaken for customers is invoiced in advance of the project work being undertaken. All contract liabilities are expected to be recognised as revenue in the next twelve months.

11) Other current assets

Year ended 30 June	2021	2020
	US$	US$
Contract assets	184,861	-
Prepayments	141,702	5,564
Other current assets	41,640	-
Total other current assets	**368,203**	**5,564**

Contract assets arise where on a particular project the proportion of work performed on that project exceeds the amounts invoiced on that project to date. It is expected that 100% of contract assets will be invoiced in the next twelve months.

12) Property, plant and equipment

	2021 US$	2020 US$
Office equipment at cost	141,595	63,909
Accumulated depreciation	(45,459)	(63,909)
Closing carrying value	**96,136**	-
Right of Use Assets at costs	**419,181**	-
Accumulated depreciation	(54,364)	-
Closing carrying value	364,817	-
Total property, plant & equipment	**460,953**	-

	Right of Use Assets US$	Office Equipment US$	Total US$
2021			
Opening carrying amount	-	-	-
Assets acquired with business acquisition (refer note 21)	-	100,592	100,592
Additions	419,181	41,003	460,184
Depreciation expense	(54,364)	(45,459)	(99,823)
Closing carrying amount	**364,817**	**96,136**	**460,953**
2020			
Opening carrying amount	-	12,981	12,981
Depreciation expense	-	(12,481)	(12,481)
Disposals/(Write-offs)	-	(500)	(500)
Closing carrying amount	-	-	-

13) Intangible Assets

Year ended 30 June	2021 US$	2020 US$
Software acquired	4,792,810	-
Customer contracts	85,999	-
Software development	635,008	-
Total intangible assets	**5,513,817**	**-**

	Software Acquired US$	Customer Contracts US$	Software Development US$	Total US$
2021				
Opening carrying amount	-	-	-	-
Acquired through business acquisition (refer note 21)	5,288,618	96,319	-	5,384,937
Capitalisation of software developments	-	-	664,510	664,510
Amortisation expense	(495,808)	(10,320)	(29,502)	(535,630)
Closing carrying amount	**4,792,810**	**85,999**	**635,008**	**5,513,817**
Expected useful life (years)	**8**	**7**	**5**	
Remaining useful life (years)	**7.25**	**6.25**	**4.8**	

14) Trade and other payables

Year ended 30 June	2021 US$	2020 US$
Unsecured liabilities		
Accounts payable	573,328	420,813
Accrued expenses	592,516	179,692
Other payables	185,894	30,888
Total trade and other payables	**1,351,738**	**631,393**

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

Year ended 30 June	2021 US$	2020 US$
Unsecured liabilities		
Employee leave provisions – current	1,035,100	154,285
Employee leave provisions – non-current	39,559	-
Total provisions	**1,074,659**	**154,285**

16) Other current liabilities

Year ended 30 June	2021 US$	2020 US$
Deferred grant income	-	111,165
Total other current liabilities	**-**	**111,165**

During the 2020 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 Change Financial LLC 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 Change Financial LLC had spent US$118,835 of the funds advanced under the PPP on qualifying expenditure and therefore this portion of the loan has been recognised as granted income. The balance of the amount received under the PPP (US$111,165) was recognised as deferred income as at 30 June 2020 and recognised as granted income in the 2021 financial year.

17) Contributed equity

Year ended 30 June	2021 US$	2020 US$
396,718,162 fully paid ordinary shares[1] (30 June 2020: 268,097,714)	42,519,906	34,767,894

[1] This amount excludes 1,170,506 (June 2020: 6,036,457) shares 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. Total fully paid shares on issue at 30 June 2021 is 397,888,668.

Details of the movement in share capital is set out as follows:

	Number of Shares #	Value US$
Opening balance as at 1 July 2020	268,097,714	34,767,894
April 2020 entitlement offer – shortfall placement	9,600,000	352,992
Cost associated with the shortfall placement	-	(12,512)
September 2020 Share Placement at A$0.095 per share	67,433,542	4,553,517
Cost associated with the placement	-	(318,962)
October 2020 entitlement Offer at A$0.095 per share	51,586,906	3,452,091
Costs associated with the entitlement offer	-	(275,114)
Balance as at 30 June 2021	**396,718,162**	**42,519,906**

During the period 4,865,951 shares issued under the Loan Funded Share Plan (LFSP) were bought back and cancelled and the associated loan extinguished.

Details of the movement in share capital in the prior comparable period is set out below:

	Number of Shares #	Value US$
Opening balance as at 30 June 2019	92,807,174	29,582,499
Options exercised	4,000,000	27,656
Equity entitlement offer & shortfall at A$0.05 per share	93,243,631	3,094,916
Costs associated with the entitlement issue	-	(277,583)
Conversion of convertible notes at A$0.05 per shares	69,713,576	2,321,114
Capital raising costs of convertible notes previously capitalized	-	(202,442)
Costs associated with the conversion	-	(8,829)
Placement to CPx Holdings LLC	8,333,333	250,000
Cost of the placement to CPx Holdings LLC	-	(19,437)
Balance at 30 June 2020	**268,097,714**	**34,767,894**

18) Reserves

Year ended 30 June	2021 US$	2020 US$
Share based payment reserve (a)	4,230,067	4,114,477
Foreign currency translation reserve (b)	457,099	152,222
Total reserves	**4,687,166**	**4,266,699**
(a) Share based payment reserve		
Balance at the start of the period	4,114,477	3,925,361
Options issued	115,590	189,116
Closing balance	**4,230,067**	**4,114,477**
(b) Foreign currency translation reserve		
Balance at the start of the period	152,222	17,379
Exchange differences on translation of parent operation	304,877	134,843
Closing balance	**457,099**	**152,222**

19) Accumulated Losses

	2021 US$	2020 US$
Opening balance of accumulated losses	(36,709,020)	(33,222,910)
Opening balance due to the introduction of AAS16	-	26,530
Loss for the period	(3,477,382)	(3,512,640)
Closing balance of accumulated losses	**(40,186,402)**	**(36,709,020)**

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

Reconciliation of profit after income tax to net cash used in operating activities.

Year ended 30 June	2021 US$	2020 US$
Loss for the year	(3,477,382)	(3,512,640)
Depreciation and amortisation	635,453	12,481
Amortisation of borrowing costs	-	73,694
Share based payments	115,590	189,116
Gain on sale of investment	-	(100,001)
Capitalised interest	-	163,644
Impairment expense	326,432	-
Change in operating assets and liabilities:		
Decrease (increase) in current receivables	(517,829)	(57,458)
Decrease (increase) in other current assets	(193,489)	(6,241)
Increase (decrease) in accounts payable	283,110	224,263
Increase (decrease) in employee liabilities	238,190	-
Increase (decrease) in provisions	-	32,931
Increase (decrease) in other liabilities	118,761	111,165
Decrease (increase) in deferred tax assets	188,975	
Increase (decrease) in deferred income	541,251	-
Exchange gains	4,892	-
Net cash used in operating activities	**(1,736,046)**	**(2,869,046)**

21) Business combinations

On 1 October 2020 Change Labs NZ Pty Limited, a wholly owned subsidiary of Change Financial Limited, acquired the Wirecard business in Australia and New Zealand from Wirecard NZ Limited (Administrator appointed) and Wirecard Australia Pty Limited (Administrator Appointed) (together **Wirecard**).

Consideration transferred	US$
Cash	**4,492,416**

Acquisition related expenses of US$175,013 have been excluded from the consideration transferred and have been recognised as an expense in profit and loss in the year.

Assets acquired and liabilities assumed at the date of acquisition

Trade receivables (i)	1,501,718
Contract assets	186,663
Other current assets	11,631
Plant & equipment	100,592
Software	5,288,618
Customer contracts	96,319
Deferred tax asset	188,975
Employee leave provisions	(759,360)
Contract liabilities	(2,122,740)
Total assets acquired & liabilities assumed at fair value	**4,492,416**

(i) Trade receivables acquired with fair value of US$1,501,718 had a gross contractual value of US$1,888,240. The best estimate at acquisition date of the contractual cash flow not expected to be collected was US$386,522.

Included in the annual results is revenue of US$6,111,969 and profit before tax of US$1,307,151 attributable to the business acquired from Wirecard.

Had the acquisition of the Wirecard business been effective from 1 July 2020 the revenue of the Group for the year ended 30 June 2021 would be US$8,433,076. The Group loss after tax for the same period would be US$3,202,207.

22) Subsidiaries

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

Name of Entity	Country of Incorporation	Equity Type	Holding 2021	Holding 2020
			%	%
Change Financial LLC	US	Membership units	100	100
Change Labs NZ Pty Ltd	Australia	Ordinary Shares	100	100
Change Financial Services Pty Ltd	Australia	Ordinary shares	100	-
Change Financial IP Pty Ltd	Australia	Ordinary shares	100	-
Change Financial Trading Pty Ltd	Australia	Ordinary shares	100	-

23) Earnings per share

Year ended 30 June	2021 US$	2020 US$
Loss attributable to ordinary equity holders of Change Financial Limited	(3,477,382)	(3,512,640)
Weighted average number of ordinary shares used as a denominator in calculating basic earnings per share	366,946,691	125,012,150
Weighted average number of ordinary shares and dilutive potential ordinary shares used as a denominator calculating diluted earnings per share	366,946,691	125,012,150

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.

24) Dividends

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

25) 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.

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.

At balance date, the Group had the following exposures to Australian dollars (A$).	2021 US$	2020 US$
Cash at bank	1,007,670	1,875,653
Current assets	586,054	17,072
Current liabilities	(1,785,274)	(210,331)
Net financial assets designated in AUD	**(191,550)**	**1,682,394**

At balance date, the Group had the following exposures to New Zealand dollars (NZ$). **As at 30 June**	2021 US$	2020 US$
Cash at bank	371,184	-
Current assets	7,704	-
Current liabilities	(616,153)	-
Net financial assets designated in NZD	**(237,265)**	**-**

The Group minimises its exposure to foreign currency gains/loss on working capital balances by minimising the net balance held in foreign currency. The exposure to foreign currency movement arising from foreign current working capital balances held within the group is summarised below:

USD impact on profit or loss before tax of a 1% increase in foreign currency rates	2021 US$	2020 US$
AUD	(1,916)	16,824
NZD	(2,373)	-

The Group incurs operating costs in both AUD and NZD, the foreign currency impact of which is partly mitigated by revenues in those currencies. To mitigate the risk of short term volatility of the USD exchange rate of AUD and NZD, the Company holds cash balances in those currencies.

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 $4,019,001 (2019: $2,966,200) subject to variable interest rates of 0.05% (2019: 0.2%). At 30 June 2021, 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.

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, outstanding trade and other receivables.

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

Expected credit losses are measured by grouping trade receivables on a shared risk basis. The shared risk has been determined as being by days past due. A provision percentage is then determined based on the historic credit loss for each group of customers by age adjusted for any material expected changes to the future credit risk for that customer group.

Ageing category	Current	0-30 days past due US$	31-60 days past due US$	61-90 days past due US$	>90 days past due US$	Total US$
Trade receivable	1,089,616	668,211	54,630	18,096	627,894	2,458,447
Provision matrix	1%	2%	5%	10%	32%	
Total	**10,896**	**13,364**	**2,731**	**1,810**	**201,613**	**230,414**

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.

(i) ***Financing arrangements***
The Group does not have access to any undrawn borrowing facilities at the end of the reporting period.

(ii) ***Maturities of financial liabilities***
At period end the Group had trade and other payables of US$1,351,738 (2020: $631,393) which have a maturity of less than 6 months. The Group had no current borrowings (2020: nil). The total lease payments to be made in the next 12 months are US$297,380 (2020: US$153,287) and the period later than 12 months and less than 5 years US$264,378 (2020: US$179,388). The Group has no other financial liabilities.

26) Parent entity financial information

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

As at 30 June	2021 US$	2020 US$
Current assets	1,019,267	1,892,725
Non-current assets	7,977,641	643,178
Total assets	**8,996,908**	**2,535,903**
Current liabilities	(211,501)	(210,331)
Non-current liabilities	-	-
Total liabilities	**(211,501)**	**(210,331)**
Net Assets	**8,785,407**	**2,325,572**
Shareholders' equity - Issued Capital	42,519,906	34,767,894
Reserves	4,687,167	4,266,698
Retained Earnings	(38,421,666)	(36,709,000)
Total shareholders' equity	**8,785,407**	**2,325,592**
Loss for the period	(1,712,646)	(3,486,109)
Total comprehensive loss	(1,407,769)	(3,351,266)

27) Key management personnel disclosures

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

Non-executive Directors
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 Change Financial Limited and Change Financial LLC.

Alastair Wilkie – Chief Executive Officer
Clayton Fossett – Chief Operating Officer
Vinnie D'Alessandro – Chief Technology Officer (appointed 16 November 2020)

Key management personnel compensation

Year ended 30 June	2021 US$	2020 US$
Short term employee benefits	792,579	556,816
Non-monetary benefits	4,105	10,763
Post-employment benefits	25,831	10,018
Long term benefits	5,908	-
Share based payments	24,666	162,405
Total	**853,089**	**740,002**

Detailed remuneration disclosures are provided in the remuneration report.

28) Remuneration of auditors

The auditor of Change Financial Limited is Pitcher Partners.

Year ended 30 June	2021 US$	2020 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	61,723	59,486
Other services in relation to the entity and any other entity in the consolidated group:		
– tax compliance services	19,588	11,542
– tax advisory and due diligence services	31,384	-
– consulting services	13,327	-
Total	**126,022**	**71,028**

29) Related Party Transactions

The following transactions with key management personnel and their associated entities:
A director, Mr Harley 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 market commercial terms and conditions. The Company also engaged AAP to provide accounting and bookkeeping services. These services were provided on market commercial terms.

A director, Mr Benjamin Harrison, is Chief Investment Officer of Altor Capital Pty Limited and was a director of AAP during the period.

Transactions with Key Management Personnel	2021 US$	2020 US$
Amounts recognised as expense		
Accounting and bookkeeping fees	44,955	10,091
Amounts recognised in equity (cost of funds raised)		
Capital raising & management fees	127,730	256,184

30) Contingent liabilities

The Group has no contingent liabilities.

31) Commitments

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

	2021 US$	2020 US$
Payments contracted for but not recognised in the financial statements:		
Not later than 12 months	275,000	62,500
Later than 12 months but not later than five years	1,250,000	1,097,500
Later than 5 years	-	775,000
Total	**1,525,000**	**1,935,000**

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. Their options were granted under their employment contracts for no consideration.

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

	2021		2020	
	Average exercise price per share Option	Number of options	Average exercise price per share Option	Number of options
As at 1 July	A$ 0.22	4,750,000	A$ 0.73	1,440,000
Granted during the year[1]	A$ 0.24	1,800,000	A$ 0.22	4,750,000
Cancelled during the year	A$ 0.29	(2,000,000)	-	-
Granted during the year to[2] replace cancelled options	A$ 0.25	2,000,000	-	-
Expired/forfeited	A$ 0.83	(500,000)	A$ 0.67	(940,000)
As at 30 June	A$ 0.21	6,050,000	**A$ 0.22**	**4,750,000**
Vested and exercisable at 30 June		**1,500,000**		1,250,000

[1]Includes 1,500,000 options issued to Mr D'Alessandro as disclosed in the remuneration report. The other 300,000 were issued to an employee which vest on the achievement of certain individual performance measures.
[2]These options were issued to Mr Wilkie as disclosed in the remuneration report and replaced options surrendered on the same day. The incremental fair value of the replacement options compared to the value of the options surrendered was US$6,165 using the Black & Scholes options pricing methodology and the model inputs as set out in note 32(b) below for 27 May 2021.

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$	2021 Number	2020 Number
1 Jan 2015	20 Oct 2020	5	0.490	-	100,000
18 Jan 2018	31 Jan 2021	3	0.920	-	400,000
28 Oct 2019	28 Oct 2022	3	0.001	500,000	500,000
28 Oct 2019	28 Oct 2022	3	0.200	1,000,000	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 Dec 2019	5 Dec 2022	3	0.200	750,000	750,000
27 May 2021	28 Oct 2022	1.4	0.200	1,000,000	-
27 May 2021	28 Oct 2022	1.4	0.300	1,000,000	-
27 May 2021	16 Nov 2023	3	0.020	650,000	-
27 May 2021	16 Nov 2023	3	0.260	1,150,000	-
				6,050,000	**4,750,000**
Weighted average remaining contractual life of options outstanding at year end (years)				**1.6**	**2.1**

(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 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;

(i) options are granted for no consideration;
(ii) exercise price of options granted as set out in the table above;
(iii) expiry dates as set out in the table above;
(iv) share price of $0.22 for options granted on 28 October 2021 and $0.12 for options granted on 5 Decemer 2019
(v) expected volatility of 75%;
(vi) expected dividend yield of nil; and
(vii) risk-free interest rate of 0.33%.

The model inputs for options granted during the year ended 30 June 2021 included;

(i) options are granted for no consideration;
(ii) exercise price of options granted as set out in the table above;
(iii) expiry dates as set out in the table above;
(iv) share price of $0.117 for options granted on 27 May 2021;
(v) expected volatility of 75%;
(vi) expected dividend yield of nil; and
(vii) risk-free interest rate of 0.33%.

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

Year ended 30 June	2021 US$	2020 US$
Share based payments expense	115,590	189,116
Total	**115,590**	**189,116**

33) Events occurring after the reporting period

There were no events occurring after balance other than those set out in this financial report.

Directors' Declaration

In the opinion of the Directors:

(a) the financial statements and notes set out on pages 30 to 58 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 2021 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
Chairman
30 August 2021

Level 38, 345 Queen Street
Brisbane, QLD 4000

Postal address
GPO Box 1144
Brisbane, QLD 4001

p. +61 7 3222 8444

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 2021, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, 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 2021 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.

Key Audit Matter	How our audit addressed the key audit matter
Revenue Recognition *(Refer to note 4)*	
The Group earns revenue from different revenue streams. The amount of revenue recognised during the year is dependent on meeting revenue recognition criteria, which varies between streams, under Australian Accounting Standards and the Group's revenue recognition policies which are set out in Note 1(g). Payments received for services but not yet recognised as revenue are recorded as contract liabilities at year end. These amounts are disclosed in Note 10.	Our audit procedures included, amongst others: • Understanding and evaluating the design and implementation of controls over the revenue recognition and invoicing process; • Completing substantive tests of detail on receivables, contract assets and contract liabilities recognised at year end to obtain evidence on the existence / completeness of the assets / liabilities at year-end and the resulting existence of revenue being recognised in the period; and • Assessing the adequacy of the disclosures in the financial report.
Business Combinations *(Refer to note 21)*	
On 1 October 2020 the Group acquired the Wirecard business in Australia and New Zealand from Wirecard NZ Limited and Wirecard Australia Pty Limited. The consideration transferred as part of this transaction was US$4,492,416 and the acquisition was accounted for as a business combination. The primary element of the purchase price allocation was to assess the fair value of identifiable intangible assets in the form of software (US$5,288,618) and customer contracts (US$96,319). Due to the level of judgment involved in estimating the fair value of identifiable assets acquired and liabilities assumed this is considered to be a key audit matter.	Our audit procedures included, amongst others: • Obtaining an understanding of the relevant controls associated with identifying and accounting for business combinations within the financial statements; • Assessing the accounting treatment of the business combination, including the assessment of the accounting acquirer; • Reading the sale and purchase agreements to understand the key terms and conditions; • Evaluating the assumptions and methodology used by management in determining the fair values of net assets acquired; • Testing the accuracy of the purchase price allocation against the requirements of the relevant accounting standards; and • Assessing the adequacy of the relevant disclosures in the financial report.

Intangible assets *(Refer to note 13)*	
During the year, the Group capitalised US$664,510 of internal software development costs. The costs were primarily in relation to software development projects and predominantly comprised of payroll costs. The Group's accounting policy is described in note 1(k). The capitalisation of internally generated software costs was a key audit matter due to the judgement involved in assessing whether the criteria set out in the Australian Accounting Standards required for capitalisation of such costs had been met, particularly the likelihood of the project delivering probable future economic benefits.	Our audit procedures included, amongst others: • Understanding and evaluating the design and implementation of controls over the capitalisation of internal software costs; • Assessing whether the costs capitalised meet the recognition criteria under AASB 138 *Intangible Assets;* • Reviewing management's assessment to determine whether the project will generate probable future economic benefit; • Completing substantive tests of detail on the capitalised software costs and assessing whether recognition criteria had been met; and • Assessing the adequacy of the relevant disclosures in the financial report

Other Information

The directors are responsible for the other information. The other information comprises the Corporate Directory, Chairman's Letter, CEO's Report, Directors' Report, Corporate Governance Statement and ASX Additional Disclosure 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 2021, 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 has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore 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 2021. In our opinion, the Remuneration Report of Change Financial Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Pitcher Partners

PITCHER PARTNERS

DANIEL COLWELL
Partner

Brisbane, Queensland
30 August 2021

ASX Additional Disclosure

Shareholder information at 19 August 2021

Shareholding Distribution and Unmarketable Parcels

Size of Shareholder	Number of Shares	% of Issued Capital	Number of Holders	% of Holders
100,001 and Over	351,212,643	88.27	472	16.65
50,001 to 100,000	20,726,342	5.21	263	9.28
10,001 to 50,000	20,720,913	5.21	798	28.15
5,001 to 10,000	3,141,628	0.79	397	14.00
1,001 to 5,000	1,908,953	0.48	605	21.34
1 to 1,000	178,189	0.04	300	10.58
Total	**397,888,668**	**100.00**	**2,835**	**100.00**

Top 20 Shareholders

Rank	Name	Number of Shares	% of Issued Capital
1	BART PROPERTIES PTY LTD	14,559,133	3.66
2	ALTOR CAPITAL MANAGEMENT PTY LTD	12,237,514	3.08
3	BOND STREET CUSTODIANS LIMITED	10,000,000	2.51
4	BJT903 PTY LTD	8,500,000	2.14
5	BNP PARIBAS NOMINEES PTY LTD	8,479,183	2.13
6	CPX HOLDINGS, L.L.C.	8,333,333	2.09
7	MR COLIN WILLIAM MACLEOD & MRS LINDA ELIZABETH MACLEOD	7,000,000	1.76
8	MR DAVID FREDERICK OAKLEY	6,910,960	1.74
9	BOND STREET CUSTODIANS LIMITED	6,000,000	1.51
10	JMB PEARCE PTY LTD	5,500,000	1.38
11	RIGGS AND RUMPS PASTORAL PTY LTD	5,000,000	1.26
11	ADMIRANDUS PTY LTD	5,000,000	1.26
11	CSWSG PTY LTD	5,000,000	1.26
14	MR ALASTAIR PATERSON WILKIE & MRS SANDRA CHRISTINE WILKIE	4,600,000	1.16
15	GERSEKOWSKI SUPER FUND PTY LTD	4,500,000	1.13
16	NAREENEN PTY LTD	4,340,261	1.09
17	BNP PARIBAS NOMS(NZ) LTD	4,024,241	1.01
18	BOND STREET CUSTODIANS LIMITED	4,000,000	1.01
19	LEMEURICE PTY LTD	3,950,000	0.99
20	MR MANFRED DIETER LAGEMANN	3,761,729	0.95
Total	**397,888,668**	**131,696,354**	**33.10**

Unquoted Options

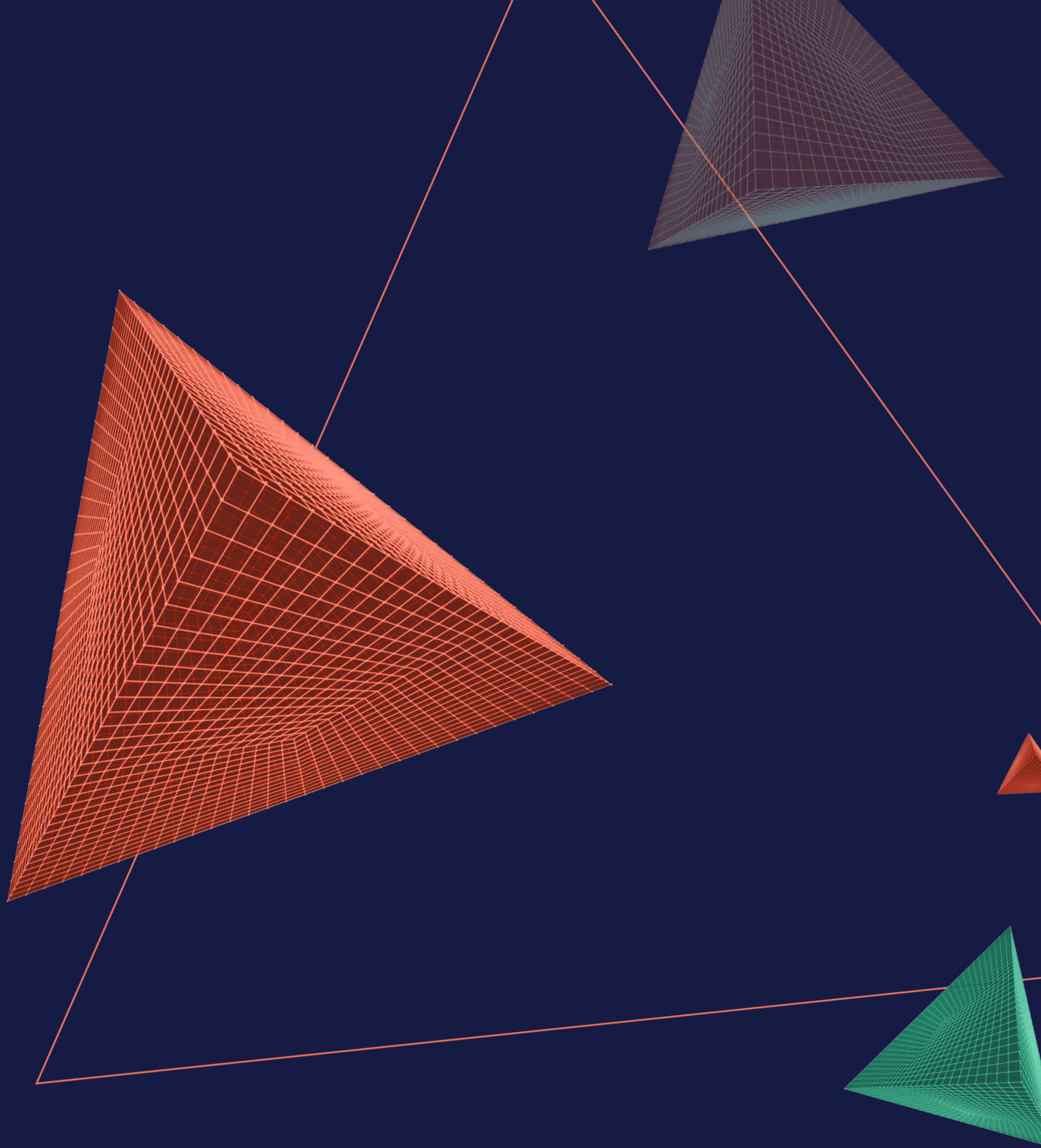
Option ex price and expiry	Number of Options	Number of Holders
Options @ A$0.001 expiry 28-Oct-22	500,000	1
Options @ A$0.20 expiry 28-Oct-22	1,000,000	1
Options @ A$0.20 expiry 28-Oct-22	1,000,000	1
Options @ A$0.30 expiry 28-Oct-22	1,000,000	1
Options @ A$0.20 expiry 5-Dec-22	750,000	1
Options @ A$0.20 expiry 16-Nov-23	650,000	2
Options @ A$0.26 expiry 16-Nov-23	1,150,000	2
Total	**6,050,000**	**9**

Substantial Shareholders

There were no substantial holders as disclosed in substantial holder notices given to the Company.

Unmarketable Parcels

The number of shareholders held in less than marketable parcels was 839 with total shares of 1,708,829.



change.

Change Financial Limited

Website www.changefinancial.com
ACN 150 762 351
Registered Address Level 11, 82 Eagle Street, Brisbane QLD 4000
Postal Address c/o Change Financial Limited, GPO Box 5011, Brisbane QLD 4001