VUE FINANCE LTD
AND CONTROLLED ENTITIES

ABN: 11612992079

Financial Report For The Year Ended
30 June 2021

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VUE FINANCE LTD ABN: 11612992079 AND CONTROLLED ENTITIES
DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to herein as the Group) consisting of VUE FINANCE LTD and its controlled entities for the financial year ended 30 June 2021. The information in the preceding Operating and Financial Review forms part of this Directors Report for the financial year ended 30 June 2021 and is to be read in conjunction with the following information:-

General Information

Directors

The following persons were directors of VUE Finance Ltd during or since the end of the financial year up to the date of this report:

Benjamin Whitehouse
Paul Dowling
Dean Rallison resigned (10/11/2020)
Matthew Whitehouse resigned (10/11/2020)

Particulars of each Director's experience are set out later in this report.

Dividends Paid or Recommended

Dividends paid or declared for payment during the financial year are as follows:

– Ordinary dividend paid as recommend in last year's report	$0
– Interim A class dividend of $553,450 paid on 30 June 2021	$553,450
– Final ordinary dividend of $0 per share recommended by the Directors out of retained profits at 30 June 2021	$0

Indemnifying Officers or Auditor

During or since the end of the financial year, the company hasn't given an indemnity or entered into an agreement to indemnify, or paid or agreed to pay insurance premiums.

Proceedings on Behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

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

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 3 of the Financial Report.

Options

At the date of this report, there were no unissued ordinary shares of VUE Finance Ltd under options

Option holders do not have any rights to participate in any issues of shares or other interests in the company or any other entity.

There have been no options granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period.

Information relating to Directors and Company Secretary

Benjamin Whitehouse	—	Director
Experience	—	More than 25 years as a Chartered Accountant, generally with his own business.
Special Responsibilities	—	Mareketing and promotion
Paul Dowling	—	Director
Experience	—	30 years in business lending inccluding Scottish Pacific and Viden Group
Special Responsibilities	—	Lending interface with clients, dealing with all lending issues.
Dean Rallison	—	Director
Experience	—	25 years working for BDO, Australian Taxation Office, and Cooper Grace Ward in Taxation Law.
Special Responsibilities	—	Company secretarial matters.
Matthew Whitehouse	—	Director
Experience	—	More than 20 years working in Information Technology
Special Responsibilities	—	IT issues surrouonding the lending platform and app.

Company Secretary

The following person held the position of company secretary at the end of the financial year:

Dean Rallison - LLM, Company Secretary. Dean Rallison was appointed as then company secretary on 8 October 2019. Dean Rallison ceased the role of Company Secretary on 6 September 2021. Gillian Caichi has been Company Secretary since 6 September 2021.

Meetings of Directors

During the financial year, 2 meetings of directors (including committees of directors) were held.
Attendances by each director during the year were as follows:

VUE FINANCE LTD ABN: 11612992079 AND CONTROLLED ENTITIES
DIRECTORS' REPORT

	Directors' Meetings		Audit Committee		Nomination Committee		Remuneration Committee		Finance and Operations Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Benjamin Whitehouse	2	2								
Paul Dowling	2	2								
Dean Rallison	2	2								
Matthew Whitehouse	2	2								

The directors' report is signed in accordance with a resolution of the Board of Directors:

Director: ***Paul Dowling***

Dated this 28th day of January 2022

Integrated Audit Service Pty Ltd
Authorised audit company no.: 342577
A.B.N. 27 138 518 877
A.C.N. 138 518 877

Directors:
Bevin Schafferius CA
Vanita Chand CA

Integrated AUDIT Service
Success through people, knowledge and understanding

AUDITOR'S INDEPENDENCE DECLARATION TO THE DIRECTORS OF VUE FINANCE LTD

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as auditor for the audit of Vue Finance Ltd and its controlled entities for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

(i) No contravention of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) No contravention of any applicable code of professional conduct in relation to the audit.

Bevin Schafferius CA
Director
Registered Auditor (No. 479033)
Registered Audit Company (No. 342 577)

Fortitude Valley, 28 January 2022

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VUE FINANCE LTD ABN: 11612992079
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated Group 2021 $	2020 $
Continuing operations			
Revenue	3	1,809,905	1,214,197
Employee benefits expense	4	(10,152)	-
Depreciation and amortisation expense	4	(62,349)	(21,522)
Other expenses	4	(557,715)	(401,335)
Profit before income tax	4	1,179,689	791,340
Tax expense	5	(163,971)	(105,169)
Net profit from continuing operations		1,015,718	686,171
Discontinued operations			
Net profit for the year	4	1,015,718	686,171
Other comprehensive income:			
Items that will not be reclassified subsequently to profit or		-	-
Items that will be reclassified subsequently to profit or loss when specific conditions are met:		-	-
Items that have been reclassified to profit or loss:			
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		-	-
Total other comprehensive income for the year		-	-
Total comprehensive income for the year		1,015,718	686,171
Net profit attributable to:			
Owners of the parent entity		1,015,718	686,171
Non-controlling interest		-	-
		1,015,718	686,171
Total comprehensive income attributable to:			
Members of the parent entity		1,015,718	686,171
Non-controlling interest		-	-
		1,015,718	686,171

The accompanying notes form part of these financial statements.

VUE FINANCE LTD ABN: 11612992079
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

		Consolidated Group	
		2021	2020
	Note	$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	538,365	760,712
Trade and other receivables	10	6,587,110	4,122,620
TOTAL CURRENT ASSETS		7,125,475	4,883,332
NON-CURRENT ASSETS			
Deferred tax assets	14	69,693	44,531
Intangible assets	12	75,045	43,044
TOTAL NON-CURRENT ASSETS		144,738	87,575
TOTAL ASSETS		7,270,213	4,970,907
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	98,523	117,248
Current tax liabilities	14	133,710	34,067
Provisions	15	577	-
TOTAL CURRENT LIABILITIES		232,811	151,314
NON-CURRENT LIABILITIES			
Provisions	15	542	-
TOTAL NON-CURRENT LIABILITIES		542	-
TOTAL LIABILITIES		233,352	151,314
NET ASSETS		7,036,861	4,819,593
EQUITY			
Issued capital	16	6,149,625	4,394,625
Reserves		-	-
Retained earnings		887,236	424,968
Equity attributable to owners of the parent entity		7,036,861	4,819,593
Non-controlling interest		-	-
TOTAL EQUITY		7,036,861	4,819,593

The accompanying notes form part of these financial statements.

VUE FINANCE LTD ABN: 11612992079
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Note	Share Capital					
		Ordinary	Type A Shares	Retained Earnings	Subtotal	Non-controlling interests	Total
		$	$	$	$	$	$
Consolidated Group							
Balance at 1 July 2019		494,625	2,756,117	117,635	3,368,377		3,368,377
Retrospective adjustment upon change in accounting policy	22			33,927	33,927		33,927
Balance at 1 July 2019 (restated)		494,625	2,756,117	151,562	3,402,304	-	3,402,304
Comprehensive income							
Profit for the year				686,171	686,171		686,171
Other comprehensive income for the year					-		-
Total comprehensive income for the year		-	-	686,171	686,171	-	686,171
Transactions with owners, in their capacity as owners, and other transfers							
Dividends recognised for the year	8			(412,765)	(412,765)		(412,765)
Shares issued during the year			1,143,883		1,143,883		1,143,883
Total transactions with owners and other transfers		-	1,143,883	(412,765)	731,118	-	731,118
Other							
Capital profit on sale of investments transferred from retained earnings to capital profits reserve					-		-
Transfers from retained earnings to general reserve					-		-
Total Other		-	-	-	-	-	-
Balance at 30 June 2020		494,625	3,900,000	424,968	4,819,593	-	4,819,593
Balance at 1 July 2020		494,625	3,900,000	424,968	4,819,593	-	4,819,593
Comprehensive income							
Profit for the year				1,015,718	1,015,718		1,015,718
Other comprehensive income for the year					-		-
Total comprehensive income for the year		-	-	1,015,718	1,015,718	-	1,015,718

VUE FINANCE LTD ABN: 11612992079
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Note	Share Capital					
		Ordinary	Type A Shares	Retained Earnings	Subtotal	Non-controlling interests	Total
		$	$	$	$	$	$
Transactions with owners, in their capacity as owners, and other transfers							
Shares issued during the year			1,755,000		1,755,000		1,755,000
Dividends recognised for the year	8			(553,450)	(553,450)		(553,450)
Total transactions with owners and other transfers		-	1,755,000	(553,450)	1,201,550	-	1,201,550
Other							
Capital profit on sale of investments transferred from retained earnings to capital profits reserve					-		-
Transfers from retained earnings to general reserve					-		-
Total Other		-	-	-	-	-	-
Balance at 30 June 2021		494,625	5,655,000	887,236	7,036,861	-	7,036,861

The accompanying notes form part of these financial statements.

VUE FINANCE LTD ABN: 11612992079
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated Group 2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,472,403	1,041,916
Interest received		403,559	172,281
Payments to suppliers and employees		(601,093)	(322,646)
Income tax paid		(89,489)	(149,990)
Net cash generated by operating activities	17a	1,185,380	741,561
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of other non-current assets		(94,350)	-
Loans to customers		(2,530,277)	(1,582,932)
Net cash (used in)/generated by investing activities		(2,624,627)	(1,582,932)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,755,000	1,143,883
Dividends paid by Parent Entity		(538,100)	(395,992)
Net cash provided by (used in) financing activities		1,216,900	747,891
Net increase in cash held		(222,347)	(93,480)
Cash and cash equivalents at beginning of financial year		760,712	854,192
Effect of exchange rates on cash holdings in foreign currencies		-	-
Cash and cash equivalents at end of financial year	9	538,365	760,712

The accompanying notes form part of these financial statements.

These consolidated financial statements and notes represent those of VUE Finance Ltd and Controlled Entities (the "consolidated group" or "group"). The separate financial statements of the parent entity, VUE Finance Ltd, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 28 January 2022 by the directors of the company.

Note 1 Summary of Significant Accounting Policies

Basis of Preparation

These general purpose consolidated financial statements have been prepared in accordance with the Corporations Act 2001, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the VUE Finance Ltd and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls. The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 11.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Inter-company transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling Interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(b) Income Tax

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from a business combination.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale. When an investment property that is depreciable is held by the entity in a business model whose objective is to consume substantially all of the economic benefits embodied in the property through use over time (rather than through sale), the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of such property will be recovered entirely through use.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

To the extent that uncertainty exists as it relates to the acceptability by a taxing authority of the company's tax treatments, the company estimates the probability of acceptance by the taxing authority and, where acceptance is not probable, recognises the expected value of the uncertainty in either income tax expense or other comprehensive income, as appropriate.

Tax consolidation

The company and its wholly-owned Australian resident entities have formed a tax-consolidated group and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is VUE Finance Ltd.

The members of the tax-consolidated group are identified in Note 11. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the "separate taxpayer within group" approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the company (as head entity in the tax-consolidated group). Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or receivable by the company and each member of the group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

Current income tax expense (income) and deferred tax liabilities and assets are recognised in the separate financial statements of members of the tax consolidated group using the "group allocation" approach. This approach determines the tax obligations of entities based on a systematic allocation which ensures that all amounts are allocated to the subsidiaries in compliance with AASB 112 Income Taxes.

Any current tax liabilities (assets) and deferred tax assets arising from unused tax losses of the subsidiaries are assumed by the head entity in the tax consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax consolidated group. Any difference between these amounts and amounts payable (receivable) under the tax funding agreement (refer below) is recognised by the head entity as an equity injection or distribution.

Uncertainty over income tax treatment

Where there is uncertainty over an income tax event, the Group determines if the uncertain tax position needs to be assessed on an entity-by-entity-basis or as a group. The Group assesses the probability that the relevant tax authority will accept the treatment of the uncertain tax event.

In the event that it is not probable that the relevant tax authority will accept the treatment, the Group establishes provisions estimated based on either the expected value method or the most likely amount, depending on which is expected to better predict the resolution of the uncertainty.

(c) Fair Value of Assets and Liabilities

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

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

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

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

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

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

(d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Property

Freehold land and buildings are carried at their fair value (being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction), based on periodic, but at least triennial, valuations by external independent valuers, less accumulated impairment losses and accumulated depreciation for buildings.

Increases in the carrying amount arising on revaluation of land and buildings are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity; all other decreases are recognised in profit or loss.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(k) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired term of the lease or the estimated useful lives of the improvements.

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. Gains shall not be classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Leases (the Group as lessee)

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low- value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:
– fixed lease payments less any lease incentives;
– variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
– the amount expected to be payable by the lessee under residual value guarantees;
– the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
– lease payments under extension options, if lessee is reasonably certain to exercise the options; and
– payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date, as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.

Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

The Group as lessor

The Group leases equipment to retailers for the demonstration of electrical components manufactured by the Group.

Upon entering into each contract as a lessor, the Group assesses if the lease is a finance or operating leases.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (for example, legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Group uses the relative stand-alone price to allocate the consideration under the contract to the lease and non-lease components.

(f) Financial Instruments

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and Subsequent Measurement
Financial liabilities
Financial instruments are subsequently measured at:

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

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The *effective interest method* is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in a effective hedging relationships).

  Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.
  The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts
A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair values (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with AASB 9.3.25.3; and
- the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets
Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or

— fair value through profit or loss.

Measurement is on the basis of two primary criteria:

— the contractual cash flow characteristics of the financial asset; and
— the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

— the financial asset is managed solely to collect contractual cash flows; and
— the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

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

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

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

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

— it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
— it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;
— it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: Business Combinations applies, the Company made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit and loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Company's accounting policy.

Derecognition

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

Derecognition of financial liabilities

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

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

— the right to receive cash flows from the asset has expired or been transferred;
— all risk and rewards of ownership of the asset have been substantially transferred; and
— the Company no longer controls the asset (i.e. the Company has no practical ability to make a unilateral decision to sell the asset to a third party).

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

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

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

Hedge accounting

At the inception of a hedge relationship, the Company identifies the appropriate risks to be managed by documenting the relationship between the hedging instrument and the hedged item, along with risk management objectives and the strategy for undertaking various hedge transactions.

The Company documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk. That is, whether the hedging relationships meet all of the following hedge effective requirements:
- there is an economic relationship between the hedged item and the hedging instrument;
- the effect of credit risk does not dominate the value changes that result from that economic relationship; and
- the hedged ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group uses to hedge the quantity of hedged item.

When the hedging relationship ceases to meet the hedging ratio requirement, the Group rebalances the hedge so that it meets the qualifying criteria again.

Discontinuation of hedge is not voluntary and is only permitted if:
- the risk management objective has changed;
- there is no longer an economic relationship between the hedged item and the hedging instrument; or
- the credit risk is dominating the hedge relationship.

Qualifying items

Each eligible hedged item must be reliably measurable and will only be designated as a hedge item if it is made with a party which is not part of the Group and is from one of the following categories:
- a recognised asset or liability (financial or non-financial);
- an unrecognised firm commitment (binding agreement with specified quantity, price and dates); or
- a highly probable forecast transaction.

Fair value hedges

At each reporting date, except when the hedging instrument hedges an equity instrument designated as at fair value through other comprehensive income, the carrying amount of the qualifying hedge instruments will be adjusted for the fair value change and the attributable change is recognised in profit and loss, at the same line as the hedged item.

When the hedged item is an equity instrument designated as at fair value through other comprehensive income, the hedging gain or loss remains in other comprehensive income to match the hedging instrument.

Cash flow hedges

The effective portion of the changes in fair value of the hedging instrument is not recognised directly in profit and loss, but to the extent the hedging relationship is effective, it is recognised in other comprehensive income and accumulated under the heading Cash Flow Hedging Reserve, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion (balancing figure) is recognised immediately in profit or loss.

Hedge accounting on cash flow hedge instruments is discontinued prospectively when the hedge relationship no longer meets the qualifying criteria. Amounts recognised in the cash flow hedging reserve that are related to the discontinued hedging instrument will immediately be reclassified to profit or loss.

Preference Shares

Preferred share capital is classified as equity if it is non-redeemable or redeemable only at the discretion of the parent company, and any dividends are discretionary. Dividends thereon are recognised as distributions within equity upon declaration by the directors. Preferred share capital is classified as a liability if it is redeemable on a set date or at the option of the shareholders, or where the dividends are mandatory. Dividends thereon are recognised as interest expense in profit or loss.

Compound financial instruments

Compound instruments (convertible preference shares) issued by the Group are classified as either financial liabilities or equity in accordance with the substance of the arrangements. An option that is convertible and that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group’s own equity instruments will be classified as equity.

The fair value of the liability component is estimated on date of issue. This is done by using the prevailing market interest rate of the same kind of instrument. This amount is recognised using the effective interest method as a liability at amortised cost until conversion or the end of life of the instrument.

The equity portion is calculated by deducting the liability amount from the fair value of the instrument as a whole. The equity portion is not remeasured after initial recognition. Equity will remain as such until the option is exercised. When the option is exercised a corresponding amount will be transferred to share capital. If the option lapses without the option being exercised the balance in equity will be recognised in profit or loss.

Costs of the transaction of the issue of convertible instruments are proportionally allocated to the equity and liability. Transaction costs in regards to the liability are included in the carrying amount of the liability and are amortised over its life using the effective interest method. Transaction cost in equity is directly recognised in equity.

Impairment

The Group recognises a loss allowance for expected credit losses on:
- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:
- financial assets measured at fair value through profit or loss; or

— equity instruments measured at fair value through other comprehensive income.

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

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:
— the general approach
— the simplified approach
— the purchased or originated credit impaired approach; and
— low credit risk operational simplification.

General approach

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

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

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:
— trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and which do not contain a significant financing component; and
— lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc.).

Purchased or originated credit-impaired approach

For a financial asset that is considered credit-impaired (not on acquisition or origination), the Group measures any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:
— significant financial difficulty of the issuer or borrower;
— a breach of contract (e.g. default or past due event);
— a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
— high probability that the borrower will enter bankruptcy or other financial reorganisation; and
— the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Group assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Group applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:
— there is a low risk of default by the borrower;
— the borrower has strong capacity to meet its contractual cash flow obligations in the near term;
— adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

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

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

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

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

(g) Impairment of Assets

At the end of each reporting period, the company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: *Property, Plant and Equipment*). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Investments in Associates

An associate is an entity over which the company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost (including transaction costs) and adjusted thereafter for the post-acquisition change in the company's share of net assets of the associate. In addition, the Company's share of the profit or loss and other comprehensive income is included in the financial statements.

The carrying amount of the investment includes, when applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Company's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's interest in the associate.

When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Company will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

The requirements of AASB 128: *Investments in Associates and Joint Ventures* and AASB 9: *Financial Instruments* are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with AASB 136: *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with AASB 136 to the extent that the recoverable amount of the investment subsequently increases.

(i) Intangible Assets Other than Goodwill

Trademarks and licences

Patents and trademarks are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful lives ranging from 1 to 5 years.

Computer software

Computer software is recorded at cost. Where software is acquired at no cost, or for a nominal cost, the cost is its fair value, as at the date of acquisition. It has a finite life and is carried at cost less accumulated amortisation and any impairment losses. Software has an estimated useful life of between one and three years. It is assessed annually for impairment.

(j) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of the Company is the currency of the primary economic environment in which that entity operates. The financial statements are presented in Australian dollars, which is the Company's functional currency.

Transaction and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except exchange differences that arise from net investment hedges.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

The Company
The financial results and position of foreign operations whose functional currency is different from the entity's presentation currency are translated as follows:

— assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
— income and expenses are translated at exchange rates on the date of transaction; and
— all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position and allocated to non-controlling interest where relevant. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(k) Employee Benefits

Short-term employee benefits
Provision is made for the Company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The company's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits
Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees.

Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Termination benefits
When applicable, the Group recognises a liability and expense for termination benefits at the earlier of:

— the date when the Group can no longer withdraw the offer for termination benefits; and
— when the Group recognises costs for restructuring pursuant to AASB 137: Provisions, Contingent Liabilities and Contingent Assets and the costs include termination benefits.

In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

(l) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(m) Provision for Warranties

Provision is made in respect of the Group's best estimate of the liability on all products and services under warranty at the end of the reporting period. The provision is measured as the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the consolidated group's history of warranty claims.

(n) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 2 months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

(o) Revenue and Other Income
Revenue recognition

Revenue generated by the Group is categorised into the following reportable segments:

— management fee revenue

- other:
  - interest

See Note 3 for detailed disclosures on reportable segments.

Management fee revenue

The Group provides management services to clients in relation to Line of Credit and Loan facilities. Revenue from these services is based on the price stipulated in the contract, net of any discounts. Revenue is then only recognised to the extent that there is a high probability that a significant reversal of revenue will not occur.

A receivable is recognised when the services are delivered. The Group's right to consideration is deemed unconditional at this time, as only the passage of time is required before payment of that consideration is due. There is no significant financing component.

All other segments

Interest income is recognised using the effective interest method.

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(r) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(s) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(r) Rounding of Amounts

The Parent Entity has applied the relief available to it under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* . Accordingly, amounts in the financial statements have been rounded to the nearest $1.

(s) New and Amended Accounting Policies Adopted by the Group

Initial adoption of AASB 2020-04: *Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions*

AASB 2020-4 *Amendments to Australian Accounting Standards – Covid-19- Related Rent Concessions* amends AASB 16: *Leases* by providing a practical expedient that permits lessees to assess whether rent concessions that occur as a direct consequence of the COVID-19 pandemic and, if certain conditions are met, account for those rent concessions as if they were not lease modifications.

Initial adoption of AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

AASB 2018-6: *Amendments to Australian Accounting Standards – Definition of a Business* amends and narrows the definition of a business specified in AASB 3 Business Combinations, simplifying the determination of whether a transaction should be accounted for as a business combination or an asset acquisition. Entities may also perform a calculation and elect to treat certain acquisitions as acquisitions of assets.

The adoption of these standards did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(t) Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates

(i) Impairment

The company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgements

(i) Performance obligations under AASB 15

To identify a performance obligation under AASB 15, the promise must be sufficiently specific to be able to determine when the obligation is satisfied. Management exercises judgement to determine whether the promise is sufficiently specific by taking into account any conditions specified in the arrangement, explicit or implicit, regarding the promised goods or services. In making this assessment, management includes the nature/type, cost/value, quantity and the period of transfer related to the goods or services promised.

(ii) Lease term and option to extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The decision on whether or not the options to extend are reasonably going to be exercised is a key management judgement that the Group will make. The Group determines the likeliness to exercise on a lease-by-lease basis, looking at various factors such as which assets are strategic and which are key to the future strategy of the entity.

(iii) Provision for impairment of receivables

Included in trade receivables at the end of the reporting period is an amount receivable from sales made to a major customer during the current financial year amounting to $243,912.

Note 2 Parent Information

	2021	**2020**
	$	$
The following information has been extracted from the books and records of the financial information of the parent entity set out below and has been prepared in		
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets	7,136,196	4,851,167
Non-current Assets	83,760	43,044
TOTAL ASSETS	7,219,956	4,894,211
LIABILITIES		
Current Liabilities	209,980	131,542
Non-current Liabilities	542	-
TOTAL LIABILITIES	210,522	131,542
EQUITY		
Issued Capital	6,149,625	4,394,625
Retained earnings	859,809	368,045
TOTAL EQUITY	7,009,434	4,762,670
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	1,045,214	656,571
Total profit	1,045,214	656,571
Total comprehensive income	1,045,214	656,571

Note 3 Revenue and Other Income

The Group has recognised the following amounts relating to revenue in the statement of profit or loss.

	Note	Consolidated Group 2021	2020
Continued operations		$	$
Other sources of revenue	3a	1,809,905	1,214,197
		1,809,905	1,214,197

(a) Other sources of revenue

— Interest received		
— related parties		
— unrelated parties	403,559	172,281
— Total interest received	403,559	172,281
— Management fee revenue	1,406,156	1,040,070
— Other revenue	190	1,846

Note 4 Profit for the Year

	Note	Consolidated Group	
Profit before income tax from continuing operations includes the following specific expenses:		2021	2020
(a) Expenses		$	$
Employee benefits expense		10,152	-
Depreciation and amortisation expense		62,349	21,522
Other expenses:			
Bookkeeping fees		226,585	177,905
Valuation fees		33,714	1,500
IT security		25,230	22,596
Legal Fees		70,106	80,426
Commission and fees		72,127	29,941
Provision for non-recoverable receivables		65,787	42,416
All other expenses		86,123	224,895
Total other expenses		579,672	579,679

Note 5 Tax Expense

	Note	Consolidated Group 2021 $	2020 $
(a) The components of tax (expense) income comprise:			
Current tax		189,132	115,773
Deferred tax	14	(25,162)	(10,604)
Recoupment of prior year tax losses		-	-
Under provision in respect of prior years		-	-
		163,971	105,169
(b) The prima facie tax on profit from ordinary activities before income tax is reconciled to income tax as follows:			
Prima facie tax payable on profit from ordinary activities before income tax at 26.0% (2020: 27.5%)			
— consolidated group		306,719	217,619
— parent entity			
Add:			
Tax effect of:			
— non-deductible depreciation and amortisation		5,709	-
— non-allowable items		3,496	-
— write-downs to recoverable amounts		17,105	11,665
— share options expensed during year		-	-
— under-provision for income tax in prior years		-	-
		333,029	229,283
Less:			
Tax effect of:			
— dividend payments relating to debt interests		143,897	113,510
Recoupment of prior year tax losses not previously brought to account		-	-
Income tax attributable to entity		189,132	115,773
The weighted average effective tax rates are as follows:		13.9%	13.3%

The decrease in the weighted average effective consolidated tax rate for 2021 is a result of accelerated tax allowances on plant and equipment compared to 2020.

Note 6 Key Management Personnel Compensation

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2021.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	2021	2020
	$	$
Short-term employee benefits	8,250	-
Post-employment benefits	784	-
Other long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total KMP compensation	9,034	-

Short-term employee benefits
These amounts include fees and benefits paid to the non-executive chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other key management personnel.

Post-employment benefits
These amounts are the current year's estimated costs of providing for the Group's defined benefits scheme post-retirement, superannuation contributions made during the year and post-employment life insurance benefits.

Other long-term benefits
These amounts represent long service leave benefits accruing during the year, long-term disability benefits, and deferred bonus payments.

Share-based payments
These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the Directors' Report.

Note 7 Auditor's Remuneration

	Consolidated Group	
	2021	2020
	$	$
Remuneration of the auditor for:		
— auditing or reviewing the financial statements	6,000	5,100
— taxation services	-	-
— due diligence services	-	-
— other taxation services	-	-
	6,000	5,100
Remuneration of other auditors of subsidiaries for:		
— auditing or reviewing the financial statements of subsidiaries	-	-

Note 8 Dividends

	Consolidated Group	
	2021	2020
	$	$
Interim unfranked A class dividend of $553,450 (2020: $412,765)	553,450	412,765
	553,450	412,765
Total dividends (cents) per ordinary share for the period		

(a) Proposed final 2021 fully franked ordinary dividend of $0 (2020: $0]) per share franked at the tax rate of 25% (2020: 26%)

Note 9 Cash and Cash Equivalents

	Note	Consolidated Group	
		2021	2020
		$	$
Cash at bank and on hand		538,365	760,712
Short-term bank deposits		-	-
	17	538,365	760,712

No short-term bank deposits were held at period end (2020: Nil).

Reconciliation of cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	538,365	760,712
Bank overdrafts	-	-
	538,365	760,712

Note 10 Trade and Other Receivables

	Note	Consolidated Group 2021 $	2020 $
CURRENT			
Trade receivables		-	-
Provision for impairment	10a(i)	-	-
		-	-
Term receivables		6,831,022	4,300,745
Provision for impairment	10a(ii)	(243,912)	(178,125)
		6,587,110	4,122,620

The following table shows the movement in lifetime expected credit loss that has been recognised for trade and other receivables in accordance with the simplified approach set out in AASB 9: *Financial Instruments* .

(a) **Lifetime Expected Credit Loss: Credit Impaired**

		Note	**Consolidated Group** **Opening balance 1 July 2019 $**	**Net measurement of loss allowance $**	**Amounts written off $**	**Closing balance 30 June 2020 $**
i.	Current trade receivables		-	-	-	-
ii.	Current term receivables		(135,708)	(42,417)		(178,125)
			(135,708)	(42,417)	-	(178,125)

		Note	**Consolidated Group** **Opening balance 1 July 2020 $**	**Net measurement of loss allowance $**	**Amounts written off $**	**Closing balance 30 June 2021 $**
i.	Current trade receivables					-
ii.	Current term receivables		(178,125)	(65,787)		(243,912)
			(178,125)	(65,787)	-	(243,912)

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade & term receivables. To measure the expected credit losses, trade & term receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2021 is determined as follows; the expected credit losses also incorporate forward-looking information.

2021	**Current $**	**>30 days past due $**	**>60 days past due $**	**>90 days past due $**	**Total $**
Expected loss rate	-3.57%				-3.57%
Gross carrying amount	6,831,022	-	-	-	6,831,022
Loss allowing provision	(243,912)	-	-	-	(243,912)
2020					
Expected loss rate	-4.14%				-4.14%
Gross carrying amount	4,300,745	-	-	-	4,300,745
Loss allowing provision	(178,125)	-	-	-	(178,125)

Credit risk

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for and mentioned within Note 10. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

The Group always measures the loss allowance for trade and term receivables at an amount equal to lifetime expected credit loss. The expected credit losses on trade and term receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The Group writes off a trade and term receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

		Consolidated Group	
		2021	2020
(b) **Financial Assets Measured at Amortised Cost**	**Note**	$	$
Trade and other Receivables			
— Total current		6,587,110	4,122,620
— Total non-current		-	-
		6,587,110	4,122,620
Total financial assets measured at amortised cost	20	6,587,110	4,122,620

Note 11 Interests in Subsidiaries

(a) **Information about Principal Subsidiaries**

The subsidiaries listed below have share capital consisting solely of ordinary shares or ordinary units which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by Group. Each subsidiary's principal place of business is also its country of incorporation.

		Ownership interest held by the Group		Proportion of non-controlling interests	
Name of subsidiary	Principal place of business	2021 (%)	2020 (%)	2021 (%)	2020 (%)
VUE Pty Ltd (formally ABLCorp Pty Ltd)	MILTON QLD 4064	100%	100%	0%	0%

Subsidiary financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

Note 12 Intangible Assets

	Consolidated Group	
	2021	2020
	$	$
Trademarks and licences		
Cost	74,985	63,385
Accumulated amortisation and impairment losses	(74,985)	(38,031)
Net carrying amount	-	25,354
Computer software:		
Cost	126,976	44,225
Accumulated amortisation and impairment losses	(51,930)	(26,535)
Net carrying amount	75,045	17,690
Total intangible assets	75,045	43,044

Consolidated Group:

		Trademarks & Licences $	Computer Software $
Year ended 30 June 2020			
Balance at the beginning of the year		38,038	26,528
Additions			
Disposals			
Amortisation charge		(12,684)	(8,838)
Impairment losses			
	-	25,354	17,690
Year ended 30 June 2021			
Balance at the beginning of the year	-	25,354	17,690
Additions		11,600	82,750
Internal development			
Acquisitions through business combinations			
Disposals			
Amortisation charge		(36,954)	(25,395)
Impairment losses			
Closing value at 30 June 2021	-	-	75,045

Note 13 Trade and Other Payables

	Note	Consolidated Group 2021 $	2020 $
CURRENT			
Unsecured liabilities			
Trade payables		14,785	6,526
Sundry payables and accrued expenses		83,739	110,721
		98,523	117,248
NON-CURRENT			
Unsecured liabilities			
Trade payables		-	-
		-	-

	Note	Consolidated Group 2021 $	2020 $
(a) Financial liabilities at amortised cost classified as trade and other payables			
Trade and other payables			
— Total current		98,523	117,248
— Total non-current		-	-
		98,523	117,248
Less: other payables (net amount of GST payable)			
Financial liabilities as trade and other payables	21	98,523	117,248

Note 14 Tax

	Consolidated Group 2021 $	Consolidated Group 2020 $
CURRENT		
Income tax payable	133,710	34,067
	133,710	34,067

NON-CURRENT Consolidated Group	Opening Balance $	Recognised in Profit and Loss $	Charged directly to Equity $	Changes in Tax Rates $	Exchange Differences $	Closing Balance $
Deferred tax liabilities						
Other	-	-	-	-	-	-
Balance at 30 June 2020	-	-	-	-	-	-
Other	-	-	-	-	-	-
Balance at 30 June 2021	-	-	-	-	-	-
Deferred tax assets						
Provisions and accruals	33,927	10,604	-	-	-	44,531
Other	-	-	-	-	-	-
Balance at 30 June 2020	33,927	10,604	-	-	-	44,531
Provisions	44,531	16,447	-	-	-	60,978
Other	8,715	-	-	-	-	8,715
Balance at 30 June 2021	53,246	16,447	-	-	-	69,693

Note 15 Provisions

CURRENT	Consolidated Group 2021 $	Consolidated Group 2020 $
Employee Benefits		
Opening balance at 1 July 2020	-	-
Additional provisions	577	-
Amounts used	-	-
Unused amounts reversed	-	-
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-
Balance at 30 June 2021	577	-
Total	577	-

NON CURRENT	Consolidated Group 2021 $	Consolidated Group 2020 $
Employee Benefits		
Opening balance at 1 July 2020	-	-
Additional provisions	542	-
Amounts used	-	-
Unused amounts reversed	-	-
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-
Balance at 30 June 2021	542	-
Total	542	-

Analysis of Total Provisions

	Consolidated Group	
	2021	2020
	$	$
Current	577	-
Non-current	542	-
	1,119	-

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

The probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been included in Note 1.

Note 16 Issued Capital

	Consolidated Group	
	2021	2020
	$	$
494,625 (2020: 494,625) fully paid ordinary shares	494,625	494,625
Fully paid A Class shares	5,655,000	3,900,000
	6,149,625	4,394,625

(a) **Ordinary Shares**

	Consolidated Group	
	2021	2020
	No.	No.
At the beginning of the reporting period	494,625	494,625
Shares issued during the year	-	-
Shares bought back during year	-	-
At the end of the reporting period	494,625	494,625

Ordinary shareholders participate in dividends and the proceeds on winding-up of the parent entity in proportion to the number of shares held. At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

(b) **A Class Shares**

	Consolidated Group	
	2021	2020
	No.	No.
At the beginning of the reporting period	3,900,000	2,756,117
Shares issued during the year	1,755,000	1,143,883
At the end of the reporting period	5,655,000	3,900,000

The holders of A Class Shares have no right to Vote at any meetings of the company. They have income rights to all capital and interest paid by the company in proportion to the total shares on issue and time held.

(c) **Capital Management**

Management controls the capital of the Group in order to maintain a sustainable debt to equity ratio, generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group’s debt and capital include ordinary share capital, A class shares and financial liabilities, supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

Management effectively manages the Group’s capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year. The gearing ratios for the year ended 30 June 2021 and 30 June 2020 are as follows:

		Consolidated Group	
		2021	2020
	Note	$	$
Trade and other payables		98,523	117,248
Less cash and cash equivalents	9	(538,365)	(760,712)
Net debt		(439,842)	(643,464)
Total equity		7,036,861	4,819,593
Total net debt and equity		6,597,020	4,176,129

Note 17 Cash Flow Information

	Consolidated Group	
	2021	2020
	$	$
(a) **Reconciliation of Cash Flows from Operating Activities with Profit after Income Tax**		
Profit after income tax	1,015,718	686,171
Non-cash flows in profit		
Amortisation	62,349	21,522
Loss allowance on term receivables	65,787	42,416
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
Increase/(decrease) in trade payables and accruals	(32,956)	36,273
Increase/(decrease) in income taxes payable	99,644	(34,217)
(Increase)/decrease in deferred taxes receivable	(25,162)	(10,604)
Net cash generated by operating activities	1,185,380	741,561

Note 18 Share-based Payments

(a) VUE Finance Ltd does not have any Share Option Schemes:

Note 19 Events After the Reporting Period

Other than the following, the directors are not aware of any significant events since the end of the reporting period.
The Company changed it's name in September 2021 from ABLCorp Ltd to VUE Finance Ltd.

Note 20 Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable, bills, leases, preference shares and derivatives.

The totals for each category of financial instruments, measured in accordance with AASB 9: *Financial Instruments* as detailed in the accounting policies to these financial statements, are as follows:

		Consolidated Group	
		2021	2020
	Note	$	$
Financial Assets			
Financial assets at amortised cost			
— cash and cash equivalents	9	1,076,730	1,521,424
— trade and other receivables	10	6,587,110	4,122,620
— government and fixed interest securities		-	-
Total Financial Assets		7,663,840	5,644,044
Financial Liabilities			
Financial liabilities at amortised cost			
— contingent consideration	11		
— trade and other payables	13	98,523	117,248
Total Financial Liabilities		98,523	117,248

Financial Risk Management Policies

Directors monitor the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to counterparty credit risk, liquidity risk and interest rate risk.

The overall risk management strategy seeks to assist the consolidated group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of the use of credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

a. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Credit risk is further managed through the completion of all customers financial accounting information, all income passing through bank accounts controlled by Vue and utilisation of proprietary software "VuePoint" and the monitoring of the actual real time financial performance of all customers.

Significant increase in credit risk for financial instruments

The Company evaluates and compares the risk of a default on a financial instrument at the reporting date with the risk of a default on the financial instrument at the date of initial recognition. To support the evaluation process, the Company takes into consideration both quantitative and qualitative information that is reasonable and justifiable, including past experience and prospective information that is publicly available. Prospective information taken into consideration includes the future volatility of the industries in which the Company's debtors are in, obtained from industry expert reports, financial news report, governmental bodies, as well as taking into consideration multiple external sources of current and future economic information that Company's core operations can relate to.

Credit Risk Exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period, excluding the value of any collateral or other security held is equivalent to the carrying amount (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to parties securing the liabilities of certain subsidiaries.

Collateral held by the group securing receivables, includes, but is not limited to: a Purchase Money Security Interest (PMSI) over the customers business and assets of the business; mortgages or chargeable caveats over real estate of directors and shareholders; guarantees; and specific asset charges.

The Group has no significant concentration of credit risk with any single counterparty or group of counterparties. However, on a geographic basis, the Group has significant credit risk exposures to Australia given the substantial operations in those regions. Details with respect to credit risk of Trade and Other Receivables is provided in Note 10.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 10.

b. Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		**1 to 5 years**		**Over 5 years**		**Total**	
	2021	2020	2021	2020	2021	2020	2021	2020
Consolidated Group	$	$	$	$	$	$	$	$
Financial liabilities due for payment								
Trade and other payables	98,523	117,248	-	-	-	-	98,523	117,248
Total expected outflows	98,523	117,248	-	-	-	-	98,523	117,248

	Within 1 Year		**1 to 5 years**		**Over 5 years**		**Total**	
	2021	2020	2021	2020	2021	2020	2021	2020
Consolidated Group	$	$	$	$	$	$	$	$
Financial Assets - cash flows realisable								
Cash and cash equivalents	538,365	760,712	-	-	-	-	538,365	760,712
Trade, term and loan receivables	6,587,110	4,122,620	-	-	-	-	6,587,110	4,122,620
Total anticipated inflows	7,125,475	4,883,332	-	-	-	-	7,125,475	4,883,332
on financial instruments	7,026,951	4,766,084	-	-	-	-	7,026,951	4,766,084

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Refer to Note 21 for detailed disclosures regarding the fair value measurement of the group's financial assets and financial liabilities.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Group.

	Note	**2021**		**2020**	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Consolidated Group		$	$	$	$
Financial assets					
Financial assets at amortised cost:					
Cash and cash equivalents	9	1,076,730	1,076,730	1,521,424	1,521,424
Trade and other receivables:					
- related parties - loans and advances	, 21	-		-	
- unrelated parties - trade and term receivables	10	6,587,110	6,587,110	4,122,620	4,122,620
Total trade and other receivables	10	6,587,110	6,587,110	4,122,620	4,122,620
Total financial assets		7,663,840	7,663,840	5,644,044	5,644,044
Financial liabilities at amortised cost					
Trade and other payables	13	98,523	98,523	117,248	117,248
Total financial liabilities		98,523	98,523	117,248	117,248

(i) Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

(ii) Term receivables monthly, ensuring carrying amounts approximate fair value.

Note 21 Fair Value Measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:
— derivative financial instruments;
— financial assets held for trading;
— financial assets at fair value through other comprehensive income;
— freehold land and buildings;
— investment properties; and
— obligation for contingent consideration arising from a business combination.

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

(a) Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.
- Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.
- Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Note 22 Prior period adjustment

In the 2019 & 2020 Financial Statements, no Deferred Tax Asset position was recognised associated with Provision for Impairment of Receivables (refer Note 10 for the Provision for Impairment of Receivables). The Deferred Tax Asset balance is determined to be material and adjustments have been made to the Financial Position as at 30 June 2019 & 30 June 2020 recognising the recoverable amount (refer Note 14 for Deferred Tax Asset balances). The Provision for Impairment of Receivables has been disclosed as a reduction of the Current Assets in the 2021 Financial Statements rather than being disclosed as a Current Liability in 2019 & 2020 Financial Statement, which was an incorrect classification.

	Original Balance 30 June 2019	Restated Balance 30 June 2019	Original Balance 30 June 2020	Restated Balance 30 June 2020
Deferred Tax Asset	-	33,927	-	44,531
Total Non-Current Assets	64,574	98,501	43,044	87,575
Total Assets	3,636,579	3,534,798	5,104,501	4,970,907
Other Liabilities	135,708	-	178,125	-
Total Current Liabilities	268,192	132,484	329,437	151,314
Total Liabilities	268,192	132,484	329,437	151,314
Retailed Profits	117,645	83,718	380,439	424,968
Income Tax Expense			(115,773)	(105,169)
Net Profit for the year			675,567	386,171

Note 23 Company Details

The registered office of the company is:
VUE Finance Ltd
22 Mayneview Street
MILTON QLD 4064

The principal places of business are:
VUE Finance Ltd
22 Mayneview Street
MILTON QLD 4064

VUE FINANCE LTD ABN: 11612992079
AND CONTROLLED ENTITIES
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of VUE Finance Ltd, the directors of the company declare that:

1. the financial statements and notes, as set out on pages 4 to 30, are in accordance with the Corporations Act 2001 and:
   (a) comply with Australian Accounting Standards applicable to the entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and
   (b) give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the consolidated group;

2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

3. the directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

Director

Paul Dowling

Dated this 28th day of January 2022

Integrated Audit Service Pty Ltd
Authorised audit company no.: 342577
A.B.N. 27 138 518 877
A.C.N. 138 518 877

Directors:
Bevin Schafferius CA

Integrated AUDIT Service
Success through people, knowledge and understanding

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
VUE FINANCE LTD

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Vue Finance Ltd and its controlled entities (the Group) which comprises the consolidated statement of financial position as at 30 June 2021, and 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 financial report of the Group is in accordance with the *Corporations Act 2001* including:

i. 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
ii. complying with Australian Accounting and the *Corporations Regulations 2001*.

Basis of Opinion

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

We 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

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Other Information

The Directors are responsible for the other information. The other information comprises the information 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.

Responsibility of the Directors for the Financial Report

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

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

Auditor's Responsibility

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.

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.

Bevin Schafferius CA
Director
Registered Auditor (No. 479033)
Registered Audit Company (No. 342 577)

Fortitude Valley, 28 January 2022