CASHREWARDS™

Cashrewards Group Pty Limited

ABN 95 615 084 654

General Purpose - RDR Annual Report - 30 June 2019

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Cashrewards Group Pty Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2019.

Directors
The following persons were directors of Cashrewards Group Pty Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Andrew Clarke
Rajeev Gupta (appointed 24 May 2019)
Brett Johnson (appointed 28 August 2020)
Joshua Lowcock (appointed 17 August 2020)
Lauren Williams (appointed 19 August 2020)
Bernard Wilson (appointed 13 August 2020)
Benjamin Bruck (appointed 24 May 2019, resigned 14 August 2020)
Iain Skelton (appointed 27 May 2019, resigned 13 August 2020)

Principal activities
During the financial year the principal continuing activities of the Group consisted of a technology platform that provides cashback to members for transacting with online and in-store merchant partners and earning Cashrewards a commission on the transaction.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
Cashrewards is an award-winning Australian consumer-driven rewards platform that puts a percentage of retail spend back into the pockets of everyday Aussies at the same time as supporting kids in need through its partnership with the Starlight Children’s Foundation.

During the year Cashrewards raised $2,250,000 capital from new, external investors in order to expand operations and increase revenue growth. This increase in cost in order to generate growth has increased the loss for the year ended 30 June 2019 to $3,334,113 from $2,296,403 for the year ended 30 June 2018.

Significant changes in the state of affairs
During the year Cashrewards launched a new product: In-store rewards, which added a new revenue stream for the Group.

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

Matters subsequent to the end of the financial year
Subsequent to 30 June 2019, the Company has raised a further $7.4 million in cash through the issue of ordinary share capital.

Subsequent to the end of the financial year, the existence of the infectious disease COVID-19 ('Coronavirus') has become widely known and rapidly spread throughout the world, including Australia. The Group considers this to be a non-adjusting event. Since the reporting date this has continued to cause increasing disruption to populations, to business and economic activity. As this situation is rapidly developing, it is not yet practicable to estimate the potential impact this may have on the Group.

Company’s planned liquidity event
The Company is advanced in its plans to raise capital to support its growth objectives, by conducting an Initial Public Offering ('IPO') on the Australian Stock Exchange ('ASX'). The IPO is scheduled to take place in calendar year 2020.

Pre Initial Public Offering Equity Raise
During August 2020 the Company successfully raised $5.65 million in share capital to continue to invest in order to scale growth and metrics into its planned IPO.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

Environmental regulation
The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

This report is made in accordance with a resolution of directors.

On behalf of the directors

Andrew Clarke
Director

8 October 2020

Cashrewards Group Pty Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2019

CASHREWARDS™

	Note	Consolidated 2019 $	Consolidated 2018 $
Revenue	4	17,984,167	11,145,320
Expenses			
Cost of sales		(11,897,409)	(7,393,103)
Marketing		(2,254,656)	(614,761)
Salaries and wages		(4,398,694)	(3,906,562)
General and administration		(3,172,994)	(2,476,910)
Finance costs	5	(697,057)	(146,991)
Loss before income tax benefit		(4,436,643)	(3,393,007)
Income tax benefit	6	1,102,530	1,096,604
Loss after income tax benefit for the year attributable to the owners of Cashrewards Group Pty Limited		(3,334,113)	(2,296,403)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Cashrewards Group Pty Limited		(3,334,113)	(2,296,403)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Cashrewards Group Pty Limited
Statement of financial position
As at 30 June 2019

	Note	Consolidated 2019 $	Consolidated 2018 $
Assets			
Current assets			
Cash and cash equivalents	7	1,460,225	116,432
Trade and other receivables	8	2,850,088	2,089,203
Contract assets	9	2,986,141	2,403,369
Other	10	103,259	172,164
Total current assets		7,399,713	4,781,168
Non-current assets			
Property, plant and equipment	11	115,529	151,851
Intangibles	12	3,234,430	2,951,715
Other	13	82,796	40,200
Total non-current assets		3,432,755	3,143,766
Total assets		10,832,468	7,924,934
Liabilities			
Current liabilities			
Trade and other payables	14	6,638,422	4,911,008
Borrowings	15	1,993,909	-
Employee benefits	16	188,762	117,825
Provisions	17	2,835,381	1,797,099
Other	18	438,361	-
Total current liabilities		12,094,835	6,825,932
Non-current liabilities			
Borrowings	19	1,764,662	2,991,547
Deferred tax	20	296,109	454,133
Other	21	-	275,817
Total non-current liabilities		2,060,771	3,721,497
Total liabilities		14,155,606	10,547,429
Net liabilities		(3,323,138)	(2,622,495)
Equity			
Issued capital	22	2,250,050	50
Reserves	23	1,622,916	1,239,446
Accumulated losses		(7,196,104)	(3,861,991)
Total deficiency in equity		(3,323,138)	(2,622,495)

The above statement of financial position should be read in conjunction with the accompanying notes

Consolidated	Issued capital $	Share-based payments reserve $	Common control share equity reserve $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2017	50	-	923,000	(1,565,588)	(642,538)
Loss after income tax benefit for the year	-	-	-	(2,296,403)	(2,296,403)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(2,296,403)	(2,296,403)
Transactions with owners in their capacity as owners:					
Share-based payments (note 32)	-	316,446	-	-	316,446
Balance at 30 June 2018	50	316,446	923,000	(3,861,991)	(2,622,495)

Consolidated	Issued capital $	Share-based payments reserve $	Common control share equity reserve $	Accumulated losses $	Total deficiency in equity $
Balance at 1 July 2018	50	316,446	923,000	(3,861,991)	(2,622,495)
Loss after income tax benefit for the year	-	-	-	(3,334,113)	(3,334,113)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(3,334,113)	(3,334,113)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 22)	2,250,000	-	-	-	2,250,000
Share-based payments (note 32)	-	383,470	-	-	383,470
Balance at 30 June 2019	2,250,050	699,916	923,000	(7,196,104)	(3,323,138)

The above statement of changes in equity should be read in conjunction with the accompanying notes

Cashrewards Group Pty Limited
Statement of cash flows
For the year ended 30 June 2019

	Note	Consolidated 2019 $	2018 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		16,607,621	11,877,525
Payments to suppliers and employees (inclusive of GST)		(16,875,325)	(12,674,204)
		(267,704)	(796,679)
Interest received		74,435	15,673
Interest and other finance costs paid		(697,057)	(146,991)
Income taxes refunded		902,960	551,609
Net cash from/(used in) operating activities		12,634	(376,388)
Cash flows from investing activities			
Payments for property, plant and equipment		(33,704)	(92,354)
Payments for intangibles		(1,772,109)	(1,636,503)
Payments for security deposits		(42,596)	-
Proceeds from release of security deposits		-	11,837
Net cash used in investing activities		(1,848,409)	(1,717,020)
Cash flows from financing activities			
Proceeds from issue of shares	22	2,250,000	-
Proceeds from borrowings		1,449,933	5,213,051
Repayment of borrowings		(520,365)	(3,102,404)
Net cash from financing activities		3,179,568	2,110,647
Net increase in cash and cash equivalents		1,343,793	17,239
Cash and cash equivalents at the beginning of the financial year		116,432	99,193
Cash and cash equivalents at the end of the financial year	7	1,460,225	116,432

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Cashrewards Group Pty Limited ('Company' or 'parent entity') as a Group consisting of Cashrewards Group Pty Limited and the entities it controlled at the end of, or during, the year (together are referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is Cashrewards Group Pty Limited's functional and presentation currency.

Cashrewards Group Pty Limited is a company limited by shares.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 8 October 2020. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

AASB 9 Financial Instruments
The Group has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables and contract assets, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers
The Group has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Note 2. Significant accounting policies (continued)

Impact of adoption
AASB 9 and AASB 15 were adopted using the full retrospective approach and as such comparatives have been stated in alignment with the new standards. There was no impact of adoption on opening retained profits as at 1 July 2017.

Going concern
As at 30 June 2019, the Company's statement of financial position reflected an excess of current liabilities over current assets of $4.7 million as all provision for member redemptions and member financial liabilities are shown in current liabilities notwithstanding historically they are not redeemed all within one year. Subsequent to year end the Company raised an additional $7.4 million of equity capital in the year ended 30 June 2020. The financial statements have been prepared on the going concern basis, based on the $5.65 million pre IPO funding received in August 2020, the cash resources the Group had as at the end of August 2020 of over $8 million, the Group trading in line with its board approved budget for financial year 2021 and the continued receipt of the R&D tax incentive.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and Interpretations issued by the Australian Accounting Standards Board ('AASB') as appropriate for for-profit oriented entities.

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
These financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Cashrewards Group Pty Limited as at 30 June 2019 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 2. Significant accounting policies (continued)

Foreign currency translation
The financial statements are presented in Australian dollars, which is Cashrewards Group Pty Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue recognition
The Group recognises revenue as follows:

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

Variable consideration within the transaction price, if any, reflects concessions that may be provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using the 'expected value' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved.

Revenue is recognised over time if:
- the customer simultaneously receives and consumes the benefits as the entity performs; or
- the customer controls the asset as the entity creates or enhances it; or
- the seller's performance does not create an asset for which the seller has an alternative use and there is a right to payment for performance to date.

Where the above criteria are not met, revenue is recognised at a point in time.

The Group recognises revenue predominantly from the following services:

Network and direct sales (excluding travel)
Network and direct sales revenue are the primary source of revenue for the Group. This represents commissions that the Group earns when a Cashrewards member (Members) makes a transaction with a Merchant (Merchants) via one of the Cashrewards mediums e.g. website, application, in-store.

In the application of AASB 15, the Group has determined that Merchants are the customers of the Group. Our performance obligation is to facilitate sales for Merchants and this is satisfied at the point in time when a member makes a purchase with the Merchant.

Note 2. Significant accounting policies (continued)

Merchants have standard return periods during which the member may return goods or services purchased for a refund. If this occurs during the return period, the Group will similarly refund any commission received from the Merchant for that transaction. This therefore varies the commission that the Group is entitled to receive. For that reason, the Group constrains its revenue to recognise that some members will return their purchases and therefore the revenue that the Group is entitled to receive will be reduced. The Group regularly reviews its estimate of the rate of returns and at the reporting date the Group estimates the provision for declined transactions. This is estimated using our historical declined sales experience and reduces revenue recognised. This amount also reduces the contract asset receivable (refer below). When the return period of the goods or services purchased expires and the member has not returned their purchase, this amount is recognised as revenue.

Network and direct sales revenue is recognised on a gross basis (gross of amounts payable to our members) as this represents the agreed commission to be earned by Cashrewards from fulfilling its performance obligation with its Merchants.

Network and direct sales (travel)
For travel-related network and direct sales, unlike other purchases of goods and services, the member does not obtain the benefit of the services purchased until a future point in time, generally being the date of travel for flights or the date of check-in for hotels.

For these sales, commission is recognised as revenue only when the member travel has actually occurred and the Merchant has approved the completed sale. Any amounts received from the Merchant in advance of the date of travel are recorded as a financial liability under AASB 9 for the full amount.

Gift card sales
Gift card sales revenue is commissions received from Merchants whenever members buy gift cards off the Merchants via the Group’s online platforms.

Advertising sales
The Group sells advertising spots on its website and promotional emails. Advertising sales revenue is amounts received from Merchants for an ad placement on the website or promotional email to members. Revenue is recognised when the advertisement is placed.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Cost of sales

Cost of sales (excluding travel)
Cost of sales represents the accrual of the cashback reward obligation to members for purchases they have made and is recognised at the same time the associated commission revenue is recognised. Cost of sales is similarly reduced to reflect the potential for members to return purchases, as members will lose the right to the cashback reward associated with returned purchases. When the return period of the goods or services purchased expires and the member has not returned their purchase, this amount is recognised as cost of sales.

Cost of sales (travel)
Cost of sales represents the accrual of the cashback reward obligation to members for travel that has been completed and is recognised at the same time the associated commission revenue is recognised.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Note 2. Significant accounting policies (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

The R&D tax incentive is recorded as a credit to the income tax expense.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

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

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

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

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

Note 2. Significant accounting policies (continued)

Contract assets
Contract assets are recognised when the Group has performed its performance obligation by the member transacting with a Merchant via one of the Cashrewards mediums, but the Group is yet to establish an unconditional right to consideration as the member may return the goods or services purchased within the Merchant's return period. A reduction in contract assets is recorded to reflect the potential for subsequent member returns or cancellations. When the return period of the goods or services purchased expires and the member has not returned the items, the full amount receivable as a commission is reclassified as a trade receivable.

Contract assets are assessed for impairment under AASB 9. The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, contract assets have been grouped based on days overdue.

No contract asset is recorded for travel commissions until the member travel has actually occurred.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Computer equipment	3 years
Office equipment	5 years

Note 2. Significant accounting policies (continued)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured.

Member financial liabilities
A AASB 9 financial liability is recorded to reflect the cashback reward obligation for members who have a total cashback reward accrual of $10.01 or more.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Provision for Member redemptions
When cost of sales is recognised, a corresponding liability is recognised that represents the obligation of the Group to redeem the members' accrued rewards. Members are only able to withdraw their cashback rewards when they have accrued $10.01 or more in cashback rewards. A AASB 137 provision is recorded to reflect the cashback reward obligation for members who have a total cashback reward accrual of less than $10.01. Cancellation and rewards expiry for non-use (Inactive Accounts) are reversed against cost of sales.

No provision for member redemption is recorded for travel cashback until the member travel has occurred.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Note 2. Significant accounting policies (continued)

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Predecessor value method
A business combination is a common control combination if the combining entities are ultimately controlled by the same party both before and after the combination and common control is not transitory. Such transactions are accounted for under the predecessor value method. Under this method, assets and liabilities are recorded at previous carrying value and no fair value adjustments made. Intangible assets are recognised only to the extent that they were recognised by the acquiree in accordance with AASB 138. No goodwill is recognised under this method as no new goodwill is recorded. Instead, the shares issued to acquire the net assets has been recognised in a common control share equity reserve.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Note 2. Significant accounting policies (continued)

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Capitalisation of internally-developed software and other intellectual property
Amounts capitalised as part of internally-developed intellectual property include the total cost of any external products or services and labour costs directly attributable to development. Management judgement is involved in determining the appropriate internal costs to capitalise and the amounts involved.

Amortisation
Useful lives and residual value of intangible assets are reviewed annually. Judgment is applied in determining the useful lives of intangible assets. Any reassessment of useful lives and residual value in a particular period will affect amortisation expense (either increasing or decreasing) from the date of reassessment through to the end of the reassessed useful life for both the current and future periods.

For unique intellectual property developed and controlled by the Group, the useful life is based on anticipation of future events which may impact their useful life, such as changes in technology.

Deferred tax asset
Deferred tax assets in relation to carried forward tax losses have been recognised during the current year, based on management's assessment that sufficient future taxable profits are probable to utilise the recognised deferred tax assets (offset against deferred tax liabilities).

'Contract asset decline' provision
Management makes assumptions in estimation of the 'contract asset decline provision for subsequent returns or cancelations by customers of the Partners, which are based on prior periods statistical information. These assumptions are subject to significant judgement at balance date.

Provision for member redemptions
When cost of sales is recognised, a corresponding liability is recognised by management that represents the obligation of the Group to redeem the members' accrued rewards.

Note 4. Revenue

	Consolidated 2019 $	Consolidated 2018 $
Revenue from contracts with customers		
Commission	17,092,115	10,044,655
Gift card commission	477,090	365,486
Advertising	340,527	719,506
	17,909,732	11,129,647
Other revenue		
Other revenue	74,435	15,673
Revenue	17,984,167	11,145,320

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 2019 $	Consolidated 2018 $
Major product lines		
Commission - Online	17,050,867	10,044,655
Commission - In-store	41,248	-
Gift card rebates	477,090	365,486
Advertising	340,527	719,506
	17,909,732	11,129,647
Geographical regions		
Australia	17,909,732	11,129,647
Timing of revenue recognition		
Goods and services transferred at a point in time	17,909,732	11,129,647

Note 5. Expenses

	Consolidated 2019 $	Consolidated 2018 $
Loss before income tax includes the following specific expenses:		
Finance costs		
Interest and finance charges paid/payable	697,057	146,991
Net foreign exchange loss		
Net foreign exchange loss	15,564	20,264
Superannuation expense		
Defined contribution superannuation expense	412,129	338,420

Note 6. Income tax benefit

	Consolidated 2019 $	2018 $
Income tax benefit		
Current tax	(944,506)	(902,960)
Deferred tax - origination and reversal of temporary differences	(158,024)	(193,644)
Aggregate income tax benefit	(1,102,530)	(1,096,604)
Deferred tax included in income tax benefit comprises:		
Decrease in deferred tax liabilities (note 20)	(158,024)	(193,644)
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(4,436,643)	(3,393,007)
Tax at the statutory tax rate of 30%	(1,330,993)	(1,017,902)
Other non deductible expenses/(Other assessable income)	228,463	(78,702)
Income tax benefit	(1,102,530)	(1,096,604)

Note 7. Current assets - cash and cash equivalents

	Consolidated 2019 $	2018 $
Cash on hand	12	83
Cash at bank	1,460,213	116,349
	1,460,225	116,432

Note 8. Current assets - trade and other receivables

	Consolidated 2019 $	2018 $
Trade receivables	1,905,582	1,186,243
R&D incentive receivable	944,506	902,960
	2,850,088	2,089,203

R&D tax incentive is accrued when it can be reliably measured and it is probable the Company will receive the claim based on the AusIndustry and Australian Taxation Office R&D guidelines. The R&D incentive accrued is recorded as a credit to tax expense.

Note 9. Current assets - contract assets

	Consolidated 2019 $	2018 $
Contract assets	2,986,141	2,403,369

Note 10. Current assets - other

	Consolidated 2019 $	Consolidated 2018 $
Prepayments	67,617	130,312
Other current assets	35,642	41,852
	103,259	172,164

Note 11. Non-current assets - property, plant and equipment

	Consolidated 2019 $	Consolidated 2018 $
Computer equipment - at cost	224,256	205,901
Less: Accumulated depreciation	(149,853)	(92,695)
	74,403	113,206
Office equipment - at cost	80,121	64,772
Less: Accumulated depreciation	(38,995)	(26,127)
	41,126	38,645
	115,529	151,851

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	*Computer equipment $*	*Office equipment $*	*Total $*
Balance at 1 July 2018	113,206	38,645	151,851
Additions	18,355	15,349	33,704
Depreciation expense	(57,158)	(12,868)	(70,026)
Balance at 30 June 2019	74,403	41,126	115,529

Note 12. Non-current assets - intangibles

	Consolidated 2019 $	Consolidated 2018 $
Development - at cost	6,724,510	4,952,401
Less: Accumulated amortisation	(3,490,159)	(2,005,780)
	3,234,351	2,946,621
Software - at cost	41,783	41,783
Less: Accumulated amortisation	(41,704)	(36,689)
	79	5,094
	3,234,430	2,951,715

Note 12. Non-current assets - intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

Consolidated	*Development* *$*	*Software* *$*	*Total* *$*
Balance at 1 July 2018	2,946,621	5,094	2,951,715
Additions	1,772,109	-	1,772,109
Amortisation expense	(1,484,379)	(5,015)	(1,489,394)
Balance at 30 June 2019	3,234,351	79	3,234,430

Note 13. Non-current assets - other

	Consolidated 2019 $	Consolidated 2018 $
Security deposits	82,796	40,200

Note 14. Current liabilities - trade and other payables

	Consolidated 2019 $	Consolidated 2018 $
Trade payables	513,939	599,721
Member financial liabilities	5,421,821	3,566,661
Accrued expenses	254,028	210,697
Other payables	448,634	533,929
	6,638,422	4,911,008

Note 15. Current liabilities - borrowings

	Consolidated 2019 $	Consolidated 2018 $
Loan - Partners for Growth	1,993,909	-

Refer to note 19 for further information on financing arrangements.

Note 16. Current liabilities - employee benefits

	Consolidated 2019 $	Consolidated 2018 $
Annual leave	188,762	117,825

Note 17. Current liabilities - provisions

	Consolidated 2019 $	Consolidated 2018 $
Member redemptions	2,835,381	1,797,099

Member redemptions
Member redemptions represent the Group's cashback obligations to members for transacting online or in-store but where a contractual obligation to deliver cash does not yet exist at balance date.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2019	*Member redemptions $*
Carrying amount at the start of the year	1,797,099
Net movements during the year	1,038,282
Carrying amount at the end of the year	2,835,381

Note 18. Current liabilities - other

	Consolidated 2019 $	Consolidated 2018 $
Embedded derivative - warrants	438,361	-

The Partners for Growth Loan include warrant rights which convert into ordinary shares based on the fair market value of the Company's ordinary shares. The warrants convert into a variable number of shares and have been recorded as a financial liability. The warrants will expire at the end of 7 years or a liquidity event.

Note 19. Non-current liabilities - borrowings

	Consolidated 2019 $	Consolidated 2018 $
Related party loan - Andrew Clarke	1,287,389	-
Loan - Partners for Growth	477,273	2,991,547
	1,764,662	2,991,547

Loan - Andrew Clarke (Director and major shareholder)
The Company has a term loan outstanding of $1,287,389 at 30 June 2019 which incurs interest at a rate of 12.75% with monthly interest only repayments and a maturity date of 12 April 2021.

Loan - Partners for Growth
The Company's borrowing with its financier Partners for Growth of $1,993,909 at 30 June 2019 has an interest rate of 12.75% and a maturity date of 1 April 2021 with monthly principal and interest repayments of $108,333. Included in the loan agreement are exercisable warrants to acquire ordinary shares which have been treated as an embedded derivative and valued at $438,361 as at 30 June 2019 (refer note 18). As at 30 June 2019 the Company had breached one of its loan covenants, which the Company subsequent to year end has received a full waiver from its financier. At 30 June 2019 the borrowings have therefore been disclosed as a current liability.

Note 19. Non-current liabilities - borrowings (continued)

The Company has a bridge loan of $477,273 at 30 June 2019 which incurs interest at a rate of 12.75% with monthly interest only repayments and a maturity date of 12 April 2021.

Note 20. Non-current liabilities - deferred tax

	Consolidated 2019 $	Consolidated 2018 $
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	(649,064)	(394,506)
Intangible assets	970,306	883,987
Provisions	31,496	-
Annual leave	(56,629)	(35,348)
Deferred tax liability	296,109	454,133
Movements:		
Opening balance	454,133	647,777
Credited to profit or loss (note 6)	(158,024)	(193,644)
Closing balance	296,109	454,133

Note 21. Non-current liabilities - other

	Consolidated 2019 $	Consolidated 2018 $
Warrants	-	275,817

Note 22. Equity - issued capital

	Consolidated 2019 Shares	2018 Shares	2019 $	2018 $
Ordinary shares - fully paid	156,620,000	125,296,000	2,250,050	50

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2017	125,296,000		50
Balance	30 June 2018	125,296,000		50
Issue of shares	14 May 2019	31,324,000	$0.07183	2,250,000
Balance	30 June 2019	156,620,000		2,250,050

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Note 22. Equity - issued capital (continued)

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

Note 23. Equity - reserves

	Consolidated 2019 $	Consolidated 2018 $
Share-based payments reserve	699,916	316,446
Common control share equity reserve	923,000	923,000
	1,622,916	1,239,446

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Common control share equity reserve
In December 2016, under the direction of its controlling shareholder the Company acquired the business of Friendly Group Pty Limited and The Shopping Rewards Investment Trust, trading as ShopGo fully controlled by the controlling shareholder of the Company. This acquisition was a business combination under common control and in accordance with the Company's accounting policies for business combinations under common control was accounted for under the predecessor value method, whereby assets and liabilities were recorded at previous carrying value and no fair value adjustments made. The Company has recorded an increase to a common control share equity reserve at the book value of the net assets acquired.

Note 24. Equity - dividends

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

Note 25. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2019	*Level 1* *$*	*Level 2* *$*	*Level 3* *$*	*Total* *$*
Liabilities				
Warrants	-	-	438,361	438,361
Total liabilities	-	-	438,361	438,361

Consolidated - 2018	*Level 1* *$*	*Level 2* *$*	*Level 3* *$*	*Total* *$*
Liabilities				
Warrants	-	-	275,817	275,817
Total liabilities	-	-	275,817	275,817

There were no transfers between levels during the financial year.

Note 25. Fair value measurement (continued)

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 26. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated	
	2019	2018
	$	$
Aggregate compensation	664,598	468,479

Note 27. Contingent liabilities

The Group has no contingent liabilities as at 30 June 2019 and 30 June 2018.

Note 28. Commitments

	Consolidated	
	2019	2018
	$	$
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	102,663	152,000

Operating lease commitments includes contracted amounts for offices under non-cancellable operating leases expiring within one year with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 29. Related party transactions

Subsidiaries
Interests in subsidiaries are set out in note 31.

Key management personnel
Disclosures relating to key management personnel are set out in note 26.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Note 29. Related party transactions (continued)

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2019 $	2018 $
Non-current borrowings:		
Loan from director, Andrew Clarke	1,287,389	-

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2019 $	2018 $
Profit/(loss) after income tax	(136,021)	439,523
Total comprehensive income	(136,021)	439,523

Statement of financial position

	Parent	
	2019 $	2018 $
Total current assets	944,506	902,960
Total assets	9,022,409	5,340,889
Total current liabilities	2,432,265	-
Total liabilities	4,845,991	3,661,870
Equity		
Issued capital	2,250,000	50
Reserves	1,622,916	1,239,446
Retained profits	303,502	439,523
Total equity	4,176,418	1,679,019

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2019 and 30 June 2018.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018.

Note 30. Parent entity information (continued)

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 31. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2019 %	Ownership interest 2018 %
Cashrewards Pty Ltd	Australia	100.00%	100.00%
Cashrewards IP Pty Ltd	Australia	100.00%	100.00%

Note 32. Share-based payments

The Company has issued share options to employees which have been recorded as share based payments expenses based on relevant vesting terms.

	Consolidated 2019 $	Consolidated 2018 $
Share-based payments expense	383,470	316,446

Note 33. Events after the reporting period

Subsequent to 30 June 2019, the Company has raised a further $7.4 million in cash through the issue of ordinary share capital.

Subsequent to the end of the financial year, the existence of the infectious disease COVID-19 ('Coronavirus') has become widely known and rapidly spread throughout the world, including Australia. The Group considers this to be a non-adjusting event. Since the reporting date this has continued to cause increasing disruption to populations, to business and economic activity. As this situation is rapidly developing, it is not yet practicable to estimate the potential impact this may have on the Group.

Company's planned liquidity event
The Company is advanced in its plans to raise capital to support its growth objectives, by conducting an Initial Public Offering ('IPO') on the Australian Stock Exchange ('ASX'). The IPO is scheduled to take place in calendar year 2020.

Pre Initial Public Offering Equity Raise
During August 2020 the Company successfully raised $5.65 million in share capital to continue to invest in order to scale growth and metrics into its planned IPO.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

- the attached financial statements and notes comply with the Australian Accounting Standards - Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors.

On behalf of the directors

Andrew Clarke
Director

8 October 2020

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Independent Auditor's Report
to the Members of Cashrewards Group Pty Limited

Opinion

We have audited the financial report of Cashrewards Group Pty Limited (the "Entity") and its subsidiaries (the "Group") which comprises the consolidated statements of financial position as at 30 June 2019 and 30 June 2018, the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the years ended 30 June 2019 and 30 June 2018, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group:

(i) gives a true and fair view of the Group's financial position as at 30 June 2019 and 30 June 2018 and of its financial performance for the years then ended; and

(ii) complies with Australian Accounting Standards – Reduced Disclosure Requirements.

Basis for Opinion

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the directors' report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Financial Report

The directors of the Entity are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - Reduced Disclosure Requirements and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Joshua Tanchel
Partner
Chartered Accountants
Sydney, 8 October 2020