Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd)

ACN 132 368 104

Annual report
for the year ended 30 June 2021

Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) ACN 132 368 104
Annual report - 30 June 2021

Contents

Directors' report

Your directors present their report on the consolidated entity consisting of Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) and the entities it controlled at the end of, or during, the year ended 30 June 2021. Throughout the report, the consolidated entity is referred to as the Group.

Directors

The following persons were directors of Atturra Holdings Pty Ltd during the financial year and up to the date of this report:

Shan Shamsher Kanji
Stephen Walter Kowal

Principal activities

The Group provides whole-of-organisation technological solutions covering service lines of Advisory, Business Applications, Data & Integration, Cloud Services, Change Management and Managed Control Solutions.

Dividends

Dividends paid to members during the financial year were as follows:

	2021 **$**	2020 $
Final ordinary dividend for the year ended 30 June 2021 of 4.45 cents per fully paid share paid on 28 June 2021	**6,500,000**	-

Review of operations

The profit from ordinary activities after income tax amounted to $7,564,824 (2020: profit $2,889,636).

Significant changes in the state of affairs

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community and the economy. Following the COVID-19 outbreak, the Group has continued its business operations. The situation is unprecedented and management continues to consider the potential implications of COVID-19, which may include availability of employees and changes in customer demand. However, as at the date these financial statements were authorised, the Group was not aware of any material adverse effects on the financial statements or future results as a result of the COVID-19.

On 10 July 2020, Galaxy 42 Group Pty Ltd acquired 100% of the shares in ChartSmart Consulting Pty Ltd which has a presence mainly in the Australia Capital Territory for a purchase consideration of $367,000. The final consideration comprised contingent consideration of $97,000, which was subject to earn out and employee retention targets. These targets have been met before the end of the year and only $30,000 of the consideration remained unpaid at 30 June 2021, which was subsequently paid post year end.

On 1 February 2021, FTS NHC Pty Ltd entered into a Share Sale Agreement to acquire 55% of Noetic Group Pty Limited. Noetic Group Pty Limited is a holding company and owns 100% of the shares in Noetic Solutions Pty Ltd. Purchase consideration consisted of cash consideration of $1,750,000 and a contingent earn-out consideration based on earnings targets for the years ended 30 June 2021 to 2023.

On 26 March 2021, Galaxy 42 Group Pty Ltd entered into a Share Purchase Agreement to acquire 100% (10 shares) of the shares in Esam Consulting Pty Ltd (Esam). The purchase consideration of $1,657,157, which comprised of a cash settlement of $960,157 directly to the shareholders and repayment of loans owed directly by the directors to Esam of $697,000. The date of acquisition was 1 April 2021 but was deemed 31 March 2021 for acquisition accounting purposes.

On 30 June 2021, the Group acquired all of the minority shares in Galaxy 42 Group Pty Ltd.

Significant changes in the state of affairs (continued)

There have been no other significant changes in the state of affairs of the Group during the year.

Event since the end of the financial year

On 31 August 2021, the Group changed its name to Atturra Holdings Pty Ltd.

On 17 August 2021, FTS Nominees Pty Ltd acquired 100% of the shares in Mentum Systems Pty Ltd which has a presence mainly in the ACT for a purchase consideration of $4,100,000. The majority of the purchase was financed by a drawdown of $4,000,000 from the loan with 263 Finance Pty Ltd.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected the Group's operations, results or state of affairs, or may do so in future years.

Likely developments and expected results of operations

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

Environmental regulation

The Group is not affected by any significant environmental regulation in respect of its operations.

Information on directors

The following information is current as at the date of this report.

Director Shan Shamsher Kanji

Experience and expertise

Shan has spent more than 15 years as a senior business leader with a proven track record of running scale diversified and complex industrial and technology businesses in Australia and New Zealand. He has extensive experience with start-ups in technology, property development, manufacturing and other sectors.

Special responsibilities

Non-Executive Chairman

Interests in shares and options

114,943,712 Shares in Atturra Holdings Pty Ltd

Director Stephen Walter Kowal

Experience and expertise

Prior to his appointment as CEO for Atturra Group, Stephen has held senior executive and non-executive positions in the IT and consultancy sectors since 2001. Stephen is highly experienced across the insurance, banking, government, and natural resources sectors, holding several Chief Information Officer roles within the US, Chile, and Australia.

Special responsibilities

CEO and Executive Director

Interests in shares and options

5,776,731 Shares in Atturra Holdings Pty Ltd

Insurance of officers and indemnities

(a) Insurance of officers

During the financial year, Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) did not pay any premium (2020: $nil) to insure the directors and secretaries of the Company and its Australian-based controlled entities.

(b) Indemnity of auditors

Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) has agreed to indemnify their auditors, PricewaterhouseCoopers, to the extent permitted by law, against any claim by a third party arising from Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd)'s breach of their agreement. The indemnity stipulates that Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) will meet the full amount of any such liabilities including a reasonable amount of legal costs.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the *Corporations Act 2001* 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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001.*

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4.

Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with the instrument to the nearest dollar.

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

Shan Shamsher Kanji
Chairman

Sydney
8 October 2021

Auditor's Independence Declaration

As lead auditor for the audit of Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) and the entities it controlled during the period.

P.J. Carney

Paddy Carney
Partner
PricewaterhouseCoopers

Sydney
8 October 2021

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Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) ACN 132 368 104
Financial report - 30 June 2021

Contents

These financial statements are consolidated financial statements for the group consisting of Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) and its subsidiaries. A list of subsidiaries is included in note 30.

The consolidated financial statements are presented in Australian dollars ($).

Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) is a Company limited by shares, incorporated and domiciled in Australia.

Its registered office is:
Level 33, Aurora Place
88 Phillip Street
Sydney NSW 2000

Its principal place of business is:
Level 2, 10 Bond Street
Sydney NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities is included in the directors' report on page 1, which is not part of these consolidated financial statements.

The consolidated financial statements were authorised for issue by the directors on 8 October 2021. The directors have the power to amend and reissue the consolidated financial statements.

Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd)
Consolidated statement of comprehensive income
For the year ended 30 June 2021

	Notes	**2021** **$**	2020 $
Revenue from contracts with customers	5	**98,339,425**	76,042,992
Cost of providing services		**(68,773,147)**	(57,956,261)
Gross profit		**29,566,278**	18,086,731
Other income	6	**2,862,020**	677,921
Sales and marketing expenses		**(549,592)**	(425,632)
General and administrative expenses	7	**(22,361,644)**	(14,279,275)
Impairment of goodwill		**-**	(775,121)
Operating profit		**9,517,062**	3,284,624
Finance income	8	**4,032**	62,482
Finance costs	8	**(101,535)**	(124,664)
Finance (costs) - net		**(97,503)**	(62,182)
Share of net profit of associates accounted for using equity method		**70,686**	167,255
Profit before income tax		**9,490,245**	3,389,697
Income tax expense	9	**(1,925,421)**	(500,061)
Profit for the year		**7,564,824**	2,889,636
Other comprehensive income for the year, net of tax		**-**	-
Total comprehensive income for the year		**7,564,824**	2,889,636
Profit is attributable to:			
Owners of Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd)		**6,488,400**	2,579,543
Non-controlling interests		**1,076,424**	310,093
		7,564,824	2,889,636
Total comprehensive profit for the year is attributable to:			
Owners of Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd)		**6,488,400**	2,579,543
Non-controlling interests		**1,076,424**	310,093
		7,564,824	2,889,636

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

	Notes	**2021 Cents**	2020 Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per share	34	**4.9**	2.4
Diluted earnings per share	34	**4.9**	2.4
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share	34	**4.9**	2.4
Diluted earnings per share	34	**4.9**	2.4

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

	Notes	**2021 $**	2020 $
ASSETS			
Current assets			
Cash and cash equivalents	11	**17,327,577**	8,799,465
Trade and other receivables	12	**23,092,760**	16,186,989
Contract assets	5(b)	**294,225**	1,526,959
Other current assets	13	**108,841**	73,741
Total current assets		**40,823,403**	26,587,154
Non-current assets			
Receivables	12	**102,637**	107,278
Investments accounted for using the equity method	30(c)	**496,616**	217,064
Property, plant and equipment	14	**280,695**	455,453
Right-of-use assets	15	**3,275,319**	4,046,994
Intangible assets	16	**8,102,071**	2,734,435
Deferred tax assets	17	**4,033,239**	2,116,386
Total non-current assets		**16,290,577**	9,677,610
Total assets		**57,113,980**	36,264,764
LIABILITIES			
Current liabilities			
Trade and other payables	18	**26,504,063**	14,708,909
Contract liabilities	5(b)	**3,353,117**	696,952
Borrowings	19	**257,072**	1,981,106
Lease liabilities	15	**711,371**	1,098,286
Current tax liabilities		**3,009,512**	930,424
Employee benefit obligations	21	**4,789,461**	3,767,383
Provisions		**1,416,000**	-
Total current liabilities		**40,040,596**	23,183,060
Non-current liabilities			
Borrowings	19	**1,750,000**	-
Lease liabilities	15	**2,339,484**	3,057,761
Employee benefit obligations	21	**798,453**	23,695
Total non-current liabilities		**4,887,937**	3,081,456
Total liabilities		**44,928,533**	26,264,516
Net assets		**12,185,447**	10,000,248
EQUITY			
Contributed equity	22	**25,907,742**	21,381,649
Other reserves	23(a)	**(8,582,485)**	(6,084,402)
Accumulated losses	23(b)	**(5,926,802)**	(5,915,202)
Non-controlling interests	30(b)	**786,992**	618,203
Total equity		**12,185,447**	10,000,248

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

		Attributable to owners of Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd)					
		Contributed equity $	**Other reserves $**	**Accumulated losses $**	**Total $**	**Non-controlling interests $**	**Total equity $**
Balance at 1 July 2019		4	(964,663)	(7,227,547)	(8,192,206)	459,851	(7,732,355)
Profit for the year		-	-	2,579,543	2,579,543	310,093	2,889,636
Total comprehensive income for the year		**-**	**-**	**2,579,543**	**2,579,543**	**310,093**	**2,889,636**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and tax		21,381,645	-	-	21,381,645	-	21,381,645
Disposal of subsidiary		-	-	(503,790)	(503,790)	-	(503,790)
Transactions with non-controlling interests		-	(5,119,739)	(763,408)	(5,883,147)	(151,741)	(6,034,888)
		21,381,645	(5,119,739)	(1,267,198)	14,994,708	(151,741)	14,842,967
Balance at 30 June 2020		**21,381,649**	**(6,084,402)**	**(5,915,202)**	**9,382,045**	**618,203**	**10,000,248**
Balance at 1 July 2020		21,381,649	(6,084,402)	(5,915,202)	9,382,045	618,203	10,000,248
Profit for the year		-	-	6,488,400	6,488,400	1,076,424	7,564,824
Total comprehensive income for the year		**-**	**-**	**6,488,400**	**6,488,400**	**1,076,424**	**7,564,824**
Transactions with owners in their capacity as owners:							
Contributions of equity, net of transaction costs and tax	22	4,526,093	-	-	4,526,093	-	4,526,093
Transactions with non-controlling interests		-	(3,304,547)	-	(3,304,547)	(907,635)	(4,212,182)
Dividends provided for or paid	24	-	-	(6,500,000)	(6,500,000)	-	(6,500,000)
Employee share schemes - value of employee services	23(a)	-	806,464	-	806,464	-	806,464
		4,526,093	(2,498,083)	(6,500,000)	(4,471,990)	(907,635)	(5,379,625)
Balance at 30 June 2021		**25,907,742**	**(8,582,485)**	**(5,926,802)**	**11,398,455**	**786,992**	**12,185,447**

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

	Notes	2021 $	2020 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**105,936,973**	83,577,774
Payments to suppliers and employees (inclusive of GST)		**(86,519,123)**	(76,046,991)
		19,417,850	7,530,783
Interest paid		**(101,535)**	(124,664)
Interest received		**4,032**	62,482
Income taxes paid		**(1,797,861)**	(267,937)
Net cash inflow from operating activities	33	**17,522,486**	7,200,664
Cash flows from investing activities			
Payments for acquisition of subsidiary, net of cash acquired		**(965,052)**	(1,585,999)
Payments for property, plant and equipment		**(74,800)**	(281,474)
Payments for intangible assets		**-**	(2,023)
Proceeds from sale of property, plant and equipment		**13,853**	-
Net cash (outflow) from investing activities		**(1,025,999)**	(1,869,496)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities		**175,000**	15,632,267
Repayment of borrowings from third parties		**(1,826,671)**	(13,371,123)
Proceeds from borrowings from third parties		**107,278**	-
Proceeds/(repayment) of loans from related parties		**1,750,000**	(308,250)
Repayment of principal elements of lease payments		**(1,505,194)**	(871,283)
Transactions with non-controlling interests		**(168,788)**	(1,782,913)
Dividends paid to company's shareholders	24	**(6,500,000)**	-
Net cash (outflow) from financing activities		**(7,968,375)**	(701,302)
Net increase in cash and cash equivalents		**8,528,112**	4,629,866
Cash and cash equivalents at the beginning of the financial year		**8,799,465**	4,169,599
Cash and cash equivalents at end of the financial year	11	**17,327,577**	8,799,465

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

Contents of the notes to the consolidated financial statements

1 Summary of significant accounting policies

This note provides a list of all significant accounting policies adopted in the preparation of these consolidated financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The consolidated financial statements are for the Group consisting of Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) and its subsidiaries.

(a) Basis of preparation

This annual financial report for the year ended 30 June 2021 is the first Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) Group annual financial report to be prepared in accordance with Australian Accounting Standards. AASB 1 First time Adoption of Australian Accounting Standards has been applied in preparing these financial statements, with a transition date of 1 July 2019.

Financial statements of the Group until 30 June 2020 had been prepared in accordance with the recognition and measurement requirements of Australian Accounting Standards only. The Group's adoption of AASB 1 did not have any impact on the financial position, financial performance and cash flows of the Group. Because there was no change in recognition or measurement of balances due to the adoption of AASB 1, these financial statements do not include any AASB 1 first-time adoption reconciling items or an opening balance sheet.

These general purpose consolidated financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) is a for-profit entity for the purpose of preparing the consolidated financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

These consolidated financial statements have been prepared under the historical cost basis.

(iii) Comparative figures

Comparative figures, are, where appropriate, reclassified to be comparable with figures presented in the current financial year. The changes in presentation are considered to provide more relevant information and have also been adopted in the current year.

(iv) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time in their annual reporting period commencing 1 July 2020:

- AASB 2018-7 *Amendments to Australian Accounting Standards - Definition of Material [AASB 101 and AASB 108]*
- AASB 2018-6 *Amendments to Australian Accounting Standards - Definition of a Business [AASB 3]*
- AASB 2019-3 *Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform [AASB 9, AASB 139 and AASB 7]*
- AASB 2019-5 *Amendments to Australian Accounting Standards - Disclosure of the Effect of New IFRS Standards Not Yet issued in Australia [AASB 1054]*
- *Conceptual Framework for Financial Reporting and AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework.*

The adoption of these amendments did not have any impact on the amounts recognised in prior periods and will also not affect the current or future periods.

1 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

(v) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2021 reporting periods and have not been early adopted by the Group. The Group's assessment indicates that there are no new Australian Accounting Standards or interpretations that have been issued but are not yet effective with an expected material impact on the Group's financial statements in the period of initial application.

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where 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 deconsolidated from the date that control ceases.

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

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

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see below (iii)), after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investments is tested for impairment in accordance with the policy described in note 1(i).

(iv) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd).

1 Summary of significant accounting policies (continued)

(b) Principles of consolidation and equity accounting (continued)

(iv) Changes in ownership interests (continued)

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

(c) Foreign currency translation

Functional and presentation currency

Items included in the consolidated financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars ($), which is Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd)'s functional and presentation currency.

(d) Revenue recognition

AASB 15 Revenue from Contracts with Customers

AASB 15 aligns revenue recognition with the pattern for transfer of control of the output from satisfying a performance obligation to a customer. In order to achieve this, the standard requires the application of a five-step model in recognising revenue from contracts with customers:

Project Revenue - time and materials agreements

Where the Group provides services charged on the basis of time and materials, revenue is recognised when the services are rendered and costs are incurred. If services have not been invoiced at reporting date but are billable by the Group, an amount is recorded as contract assets.

Project Revenue - Fixed price agreements

Where the Group provides services under a fixed price agreement the performance obligation is completed over time and hence an output method based on percentage-of-completion is applied to recognise revenue. When the outcome of a fixed price agreement can be measured reliably, revenue is recognised based on the proportion of work performed to date relative to the total contract. When the outcome of a fixed price agreement cannot be measured reliably, revenue is recognised only to the extent the costs incurred under the contract are expected to be recoverable. If services have not been invoiced at reporting date but are billable by the Group, an amount is recorded as contract assets.

Management fee revenue

One of the Group’s entities, SME Gateway, recognises revenue based on a percentage of amounts billed to the end customer, rather than the full amount, as SME Gateway is considered to be an agent arranging for the member companies to provide services to the end customer. As SME Gateway is only entitled to the management fee when an amount is invoiced to the end customer, this consideration is therefore variable, depending on the invoiced amounts of services delivered. Revenue is recognised to the extent that future reversal is not highly probable, which is usually once the services have been delivered.

Software licensing

Software licensing revenue includes revenue received as an agent for selling software licenses of other software providers. Revenue is recognised when the software license is sold to the customer.

1 Summary of significant accounting policies (continued)

(d) Revenue recognition (continued)

Software maintenance and managed services

Software maintenance and managed services revenue is recognised evenly over the life of the relevant contracts in line with the delivery of services.

Other Revenue

Other Revenue mainly includes membership fees, income from security clearance and partner incentive income.

Membership fees are recognised evenly over the life of the relevant contracts in line with delivery of services.

Revenue from security clearances and partner incentive income is recognised at a point in time when the performance obligation is completed and control passes to the customer.

Interest income

Interest income is recognised using the effective interest rate method.

(e) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all attached conditions.

During the financial year, the Group received government assistance of $2,631,000 (2020: $256,000) presented as Other income in note 6. There are no unfulfilled conditions or other contingencies attached to these grants.

(f) Income tax

The income tax expense or credit for the year is the tax payable on the current year's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting year in the countries where the Company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1 Summary of significant accounting policies (continued)

(g) Leases

The Group leases various properties, furniture, equipment and motor vehicles.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd), which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

1 Summary of significant accounting policies (continued)

(g) Leases (continued)

Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

Residual value guarantees

To optimise lease costs during the contract period, the Group sometimes provides residual value guarantees in relation to equipment leases.

(h) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

1 Summary of significant accounting policies (continued)

(h) Business combinations (continued)

Non-controlling interests in an acquired entity are recognised at fair value or at the non-controlling interest's proportionate share of the acquired entities net identifiable assets. This decision is made on an acquisition by acquisition basis.

(i) Impairment of assets

Goodwill and 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 assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting year.

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the consolidated statement of financial position.

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less loss allowance.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

(l) Investments and other financial assets

(i) Classification

The Group classifies its financial assets as those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

1 Summary of significant accounting policies (continued)

(l) Investments and other financial assets (continued)

(iii) Measurement (continued)

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group into the following category classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the consolidated income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(m) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting year in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

• Furniture	4 - 6 years
• Office equipment	3 - 5 years

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

An item of equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

1 Summary of significant accounting policies (continued)

(m) Property, plant and equipment (continued)

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment exists when the carrying value of an asset or cash- generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to its recoverable amount.

(n) Intangible assets

(i) Goodwill

Goodwill is measured as described in note 1(h). Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) Software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

1 Summary of significant accounting policies (continued)

(n) Intangible assets (continued)

(iii) Amortisation methods and useful lives

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

- Software 5 years

(o) Trade and other payables

Trade payables and other payables are carried at amortised cost due to their short-term nature they are not discounted. They represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days. Payables to related parties are carried at the principal amount.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the year of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the year of the facility to which it relates.

Borrowings are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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

(q) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the year for the time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Other borrowing costs are expensed in the year in which they are incurred.

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting year. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

1 Summary of significant accounting policies (continued)

(s) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

(ii) Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

(iii) Share-based payments

Share-based compensation benefits may be provided to certain employees as part of the employees remuneration. Under the arrangement, shares are issued to employees for no cash consideration or at a discount and vest immediately on grant date. On this date, the fair value of the shares issued less any amount paid by the employee is recognised as an employee benefit expense with a corresponding increase in equity.

The fair value of the shares issued is independently determined by obtaining an external valuation of the shares issued on grant date.

(t) Contributed equity

Ordinary shares are classified as equity.

(u) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

1 Summary of significant accounting policies (continued)

(v) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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 taxation authority is included with other receivables or payables in the consolidated 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 taxation authority, are presented as operating cash flows.

(w) Rounding of amounts

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the consolidated financial statements. Amounts in the consolidated financial statements have been rounded off in accordance with that Instrument to the nearest dollar.

(x) Parent entity financial information

The financial information for the parent entity, Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd), disclosed in note 36 has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in subsidiaries, associates and joint venture entities

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the separate financial statements of Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd). Dividends received from associates are recognised in the parent entity's profit or loss when its right to receive the dividend is established.

(ii) Financial guarantees

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

2 Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group’s future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group’s risk management is predominantly controlled by a central finance department headed by Group CFO under the policies approved by the board of directors. Group's finance team identifies, evaluates and hedges financial risks in close cooperation with the Group’s operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

2 Financial risk management (continued)

(a) Market risk

(i) Foreign exchange risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Group's functional currency. As at 30 June 2021, foreign currency risk is not hedged, rather, the risk is measured using sensitivity analysis and cash flow forecasting.

Amounts recognised in profit or loss

During the year, the following foreign-exchange related amounts were recognised in profit or loss:

	2021	2020
	$	$
Amounts recognised in profit or loss		
Net foreign exchange gain included in general and administrative expenses	**(251)**	(4,699)
Total net foreign exchange (losses) recognised in profit before income tax for the period	**(251)**	(4,699)

(ii) Cash flow and fair value interest rate risk

The Group's exposure to interest rate risk arises predominantly from assets bearing variable interest rates. As income does not make up the main source of revenue, the management expects no significant interest rate risk on these balances.

Amounts payable to related parties, trade and sundry payables and trade and other receivables are not impacted by movements in interest rates.

Management believes that the group's overall exposure to interest rate movements is not material.

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has endeavoured to minimise its credit risk by dealing with creditworthy counterparties and use of counterparty account based credit limits which are regularly reviewed for appropriateness. The Group does not have any significant credit risk exposure to any single counterparty.

(i) Impairment of financial assets

Trade receivables

The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

On that basis, the loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for both trade receivables:

30 June 2021	**Current**	**More than 30 days past due**	**More than 60 past due**	**More than 90 days past due**	**More than 120 days past due**	**Total**
Gross carrying amount – trade receivables	12,707,559	7,451,491	451,024	1,332,122	772,173	22,714,369
Loss allowance	**-**	**-**	**-**	**-**	**-**	**-**

2 Financial risk management (continued)

(b) Credit risk (continued)

(i) Impairment of financial assets (continued)

Trade receivables (continued)

30 June 2020	Current	More than 30 days past due	More than 60 past due	More than 90 days past due	More than 120 days past due	Total
Gross carrying amount – trade receivables	8,100,933	5,638,441	1,320,746	431,855	406,400	15,898,375
Loss allowance	-	-	-	-	-	-

Management considers that the balance of trade receivables, despite some being past-due, relate to customers that have a good credit history. Accordingly, based on historical default rates, management believes no impairment is required.

(c) Liquidity risk

The responsibility for liquidity risk management rests with the board, who assess the Group's short, medium and long term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, borrowing facilities and instruments and by continuously monitoring forecast and actual cash flows.

(i) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

(a) all non-derivative financial liabilities, and

(b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities at 30 June 2021	**Less than 6 months $**	**6 - 12 months $**	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**	**Total contractual cash flows $**	**Carrying amount (assets)/ liabilities $**
Non-derivatives							
Trade and other payables	**(26,504,063)**	**-**	**-**	**-**	**-**	**(26,504,063)**	**(26,504,063)**
Borrowings	**(283,215)**	**(31,117)**	**(62,387)**	**(1,786,499)**	**-**	**(2,163,218)**	**(2,007,072)**
Lease liabilities	**(488,173)**	**(309,620)**	**(640,328)**	**(1,809,189)**	**-**	**(3,247,310)**	**(3,050,855)**
Total non-derivatives	**(27,275,451)**	**(340,737)**	**(702,715)**	**(3,595,688)**	**-**	**(31,914,591)**	**(31,561,990)**

2 Financial risk management (continued)

(c) Liquidity risk (continued)

(i) Maturities of financial liabilities (continued)

	Less than 6 months	6 - 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount (assets)/ liabilities
	$	$	$	$	$	$	$
30 June 2020							
Non-derivatives							
Trade and other payables	(14,708,908)	-	-	-	-	(14,708,908)	(14,708,908)
Borrowings	-	(1,981,106)	-	-	-	(1,981,106)	(1,981,106)
Lease liabilities	(546,080)	(660,801)	(797,793)	(1,945,776)	(503,741)	(4,454,191)	(4,156,047)
Total non-derivatives	(15,254,988)	(2,641,907)	(797,793)	(1,945,776)	(503,741)	(21,144,205)	(20,846,061)

3 Critical estimates, judgements and errors

The preparation of consolidated financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group’s accounting policies.

(a) Significant estimates and judgements

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

(b) Critical accounting estimates and assumptions

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

(i) Principal versus agent considerations

Management has determined that SME Gateway Pty Limited is the agent in respect of transactions with its customers. This determination has been made on the basis that SME Gateway Pty Limited does not bear primary responsibility for service delivery to the customer. This is a key judgment given it significantly reduces the amount of Revenue recognised by the Group.

(ii) Determining the lease term and incremental borrowing rate

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee. During the current financial year, there were no impacts arising from revising lease terms to reflect the effect of exercising extension and termination options.

3 Critical estimates, judgements and errors (continued)

(b) Critical accounting estimates and assumptions (continued)

(ii) Determining the lease term and incremental borrowing rate (continued)

In determining the incremental borrowing rate, management considers, with reference to the market for the provision of third- party finance, the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right of use asset in a similar economic environment with similar terms, security and conditions.

(iii) Onerous contracts

An onerous contract is considered to exist where the company has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received.

(iv) Significant estimate: Noetic contingent consideration

Please refer to note 29(a)(i).

4 Segment information

The business of Atturra is primarily conducted in Australia. The chief operating decision maker in Atturra is the CEO. The Chief Operating Decision Maker monitors performance of the Group at the consolidated entity level and therefore there is only one operating and reporting segment. Revenue from customers domiciled in Australia comprises 99.75% of external sales for FY21.

5 Revenue from contracts with customers

	2021	2020
	$	$
Revenue from contracts with customers		
Time and materials	**71,396,805**	59,001,562
Fixed price	**19,356,662**	10,908,094
Software licensing	**328,519**	227,753
Software maintenance and managed services	**1,806,097**	2,089,716
Management fee revenue	**4,564,915**	3,183,442
Other revenue	**886,427**	632,425
	98,339,425	76,042,992

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following:

2021	**Time and materials**	**Fixed price**	**Software licensing**	**Software as service**	**Management fee revenue**	**Others**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Timing of revenue recognition							
At a point in time	**-**	**-**	**328,519**	**-**	**4,564,915**	**571,895**	**5,465,329**
Over time	**71,396,805**	**19,356,662**	**-**	**1,806,097**	**-**	**314,532**	**92,874,096**
	71,396,805	**19,356,662**	**328,519**	**1,806,097**	**4,564,915**	**886,427**	**98,339,425**

5 Revenue from contracts with customers (continued)

(a) Disaggregation of revenue from contracts with customers (continued)

2020	Time and materials $	Fixed price $	Software licensing $	Software as service $	Management fee revenue $	Others $	Total $
Timing of revenue recognition							
At a point in time	-	-	227,753	-	3,183,442	483,709	3,894,904
Over time	59,001,562	10,908,094	-	2,089,716	-	148,716	72,148,088
	59,001,562	10,908,094	227,753	2,089,716	3,183,442	632,425	76,042,992

(b) Assets and liabilities related to contracts with customers

	2021 $	2020 $
Contract assets	**294,225**	1,526,959
Contract liabilities	**(3,353,117)**	(696,952)

6 Other income

	2021 $	2020 $
Net gain/(loss) on disposal of property, plant and equipment	**21,903**	(350,278)
Net foreign exchange gains	**251**	4,699
Government grants	**2,631,000**	255,500
Reversal of loan previously impaired	**-**	768,000
Reversal of investment in associate previously impaired	**208,866**	-
	2,862,020	677,921

7 Expenses

	2021 $	2020 $
Employee benefits expenses	**16,625,232**	9,814,137
Impairment of goodwill	**-**	775,121
Depreciation		
Plant and equipment	**158,375**	170,947
Furniture, fittings and equipment	**78,508**	23,956
Leasehold improvements	**24,021**	21,114
Right-of-use assets	**1,122,250**	980,336
Depreciation	**1,383,154**	1,196,353

7 Expenses (continued)

	2021 **$**	2020 $
Amortisation		
Make good	**100,000**	-
Software	**152,533**	155,177
Amortisation	**252,533**	155,177
Total depreciation and amortisation	**1,635,687**	1,351,530
Operating rental lease of short term occupancy lease	**166,738**	205,682

8 Finance income and costs

	2021 **$**	2020 $
Finance income		
Interest income	**4,032**	62,482
Finance income	**4,032**	62,482
Finance costs		
Interest and finance charges paid/payable	**(101,535)**	(124,664)
Finance costs expensed	**(101,535)**	(124,664)

9 Income tax expense

(a) Income tax expense

	2021 **$**	2020 $
Current tax		
Current tax	**3,631,894**	1,104,239
Total current tax expense	**3,631,894**	1,104,239
Deferred income tax		
(Increase) decrease in deferred tax assets (note 17)	**(1,706,473)**	(604,178)
Total deferred tax (benefit)	**(1,706,473)**	(604,178)
Income tax expense	**1,925,421**	500,061

9 Income tax expense (continued)

(b) Numerical reconciliation of income tax expense to prima facie tax payable

	2021 $	2020 $
Profit from continuing operations before income tax expense	**9,490,245**	3,389,697
Tax at the Australian tax rate of 30.0% (2020 - 30.0%)	**2,847,074**	1,016,910
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Impairment expense	**-**	232,537
Entertainment	**35,140**	32,934
Sundry items	**104,185**	(180,183)
Tax losses not recognised as deferred tax assets	**71,263**	176,098
Previously unrecognised tax losses now recouped to reduce current tax expense	**(1,132,241)**	(778,235)
Income tax expense	**1,925,421**	500,061

(c) Tax losses

	2021 $	2020 $
Unused tax losses for which no deferred tax asset has been recognised	**237,543**	3,547,963
Potential tax benefit @ 30.0%	**71,263**	1,064,389

See note 1(f) for information about recognised tax losses.

10 Carrying amount of net liabilities sold

Carrying amount of net liabilities sold for FTS Data & AI business by FTS Data & AI Pty Limited

(a) Description

On 31 March 2021 FTS Data & AI Pty Limited agreed to sell its FTS Data & AI business to Talos Consulting Pty Ltd. The purchase price for the Business Assets was $1 (being the value of the assets minus the value of assumed liabilities plus $1). The date of disposal was 31 March 2021.

At the same time the Non-Controlling Interest shareholder agreed to sell his 42.1% (763,636 shares) stake in the company to Foundation Technology Services Pty Ltd for $1.

(b) Details of the net liabilities sold

	2021 $	2020 $
Total disposal consideration	**(1)**	-
Carrying amount of net liabilities sold	**23,257**	-
Gain on sale after income tax	**23,256**	-

The carrying amounts of assets and liabilities as at the date of sale (31 March 2021) were:

10 Carrying amount of net liabilities sold (continued)

Carrying amount of net liabilities sold for FTS Data & AI business by FTS Data & AI Pty Limited (continued)

(b) Details of the net liabilities sold (continued)

	31 March 2021 $
Equipment	**5,065**
Employee benefit obligations	**(28,322)**
Net liabilities	**(23,257)**

11 Cash and cash equivalents

	2021 $	2020 $
Cash at bank and in hand	**17,327,577**	8,799,465

12 Trade and other receivables

	2021 Current $	**2021 Non-current $**	**2021 Total $**	2020 Current $	2020 Non-current $	2020 Total $
Trade receivables	**22,714,369**	**-**	**22,714,369**	15,898,375	-	15,898,375
Loans to related parties	**-**	**95,052**	**95,052**	-	57,149	57,149
Loans to third parties	**-**	**7,585**	**7,585**	-	50,129	50,129
Other receivables	**314,351**	**-**	**314,351**	165,533	-	165,533
Prepayments	**64,040**	**-**	**64,040**	123,081	-	123,081
	23,092,760	**102,637**	**23,195,397**	16,186,989	107,278	16,294,267

13 Other current assets

	2021 $	2020 $
Deposit	**108,841**	73,741

14 Property, plant and equipment

	Plant and equipment $	Furniture, fittings and equipment $	Leasehold improvements $	Total $
At 1 July 2019				
Cost	690,697	347,582	56,120	1,094,399
Accumulated depreciation	(413,767)	(272,952)	(20,316)	(707,035)
Net book amount	276,930	74,630	35,804	387,364
Year ended 30 June 2020				
Opening net book amount	276,930	74,630	35,804	387,364
Additions	187,444	51,657	45,005	284,106
Depreciation charge	(170,947)	(23,956)	(21,114)	(216,017)
Closing net book amount	293,427	102,331	59,695	455,453
At 30 June 2020				
Cost	925,137	399,239	101,125	1,425,501
Accumulated depreciation	(631,710)	(296,908)	(41,430)	(970,048)
Net book amount	293,427	102,331	59,695	455,453
Year ended 30 June 2021				
Opening net book amount	293,427	102,331	59,695	455,453
Acquisition of subsidiary	26,994	61,075	-	88,069
Additions	11,445	-	-	11,445
Disposals	(13,368)	-	-	(13,368)
Depreciation charge	(158,375)	(78,508)	(24,021)	(260,904)
Closing net book amount	160,123	84,898	35,674	280,695
At 30 June 2021				
Cost	910,559	456,490	101,125	1,468,174
Accumulated depreciation	(750,436)	(371,592)	(65,451)	(1,187,479)
Net book amount	160,123	84,898	35,674	280,695

15 Leases

This note provides information for leases where the Group is a lessee.

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2021 **$**	2020 $
Right-of-use assets		
Buildings - cost	**5,345,445**	5,024,280
Buildings - accumulated depreciation	**(2,070,126)**	(977,286)
	3,275,319	4,046,994

	2021 **$**	2020 $
Lease liabilities		
Current	**711,371**	1,098,286
Non-current	**2,339,484**	3,057,761
	3,050,855	4,156,047

Additions to the right-of-use assets during the 2021 financial year were $400,000 (2020: $1,191,811).

Disposals of the right-of-use assets during the 2021 financial year were $6,570 (2020: $nil).

(b) Amounts recognised in the consolidated statement of comprehensive income

The consolidated income statement shows the following amounts relating to leases:

	2021 **$**	2020 $
Depreciation charge of right-of-use assets		
Buildings	**1,122,250**	980,336
Interest expense (included in finance cost)	**101,515**	99,107

The total cash outflow for leases (principal and interest) in 2021 was $1,606,709 (2020: $970,390).

16 Intangible assets

	Goodwill $	Software $	Total $
At 1 July 2019			
Cost	775,121	1,555,918	2,331,039
Accumulated amortisation and impairment	-	(1,232,006)	(1,232,006)
Net book amount	775,121	323,912	1,099,033
Year ended 30 June 2020			
Opening net book amount	775,121	323,912	1,099,033
Additions	2,563,677	2,023	2,565,700
Impairment charge	(775,121)	-	(775,121)
Amortisation charge	-	(155,177)	(155,177)
Closing net book amount	2,563,677	170,758	2,734,435
At 30 June 2020			
Cost	2,563,677	1,557,941	4,121,618
Accumulated amortisation and impairment	-	(1,387,183)	(1,387,183)
Net book amount	2,563,677	170,758	2,734,435
Year ended 30 June 2021			
Opening net book amount	2,563,677	170,758	2,734,435
Acquisition of subsidiary	5,490,437	30,066	5,520,503
Disposals	-	(334)	(334)
Amortisation charge	-	(152,533)	(152,533)
Closing net book amount	8,054,114	47,957	8,102,071
At 30 June 2021			
Cost	8,054,114	1,773,143	9,827,257
Accumulated amortisation and impairment	-	(1,725,186)	(1,725,186)
Net book amount	8,054,114	47,957	8,102,071

(a) Impairment of goodwill

The Group tests whether goodwill has suffered any impairment on an annual basis. For the 2020 and 2021 reporting periods, the recoverable amount of the cash-generating units (CGUs) was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-years period are extrapolated using the estimated long term growth rates.

A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets. At 30 June 2021, management determined that two CGU's existed, Galaxy 42 Consolidated Group (Galaxy) and the Noetic Group (Noetic) which was acquired during the year refer to note 29.

The goodwill attributed to each CGU is Galaxy $3,666,171 and Noetic $4,387,943.

16 Intangible assets (continued)

(a) Impairment of goodwill (continued)

Key accounting estimates and judgements - Impairment testing of goodwill

Determining whether goodwill is impaired requires judgement to allocate goodwill to CGUs and judgement and assumptions to estimate the fair value of a CGU or group of CGUs. The Group has determined that goodwill is tested at two distinct CGUs. The valuation model (being a value in use model) which is used to estimate the recoverable amount of the group of CGUs, requires an estimate of the future cash flows expected to arise from the group of CGUs and a suitable discount rate in order to calculate net present value.

Key assumptions in the Group's discounted cash flow model as at 30 June 2021

A value-in-use discounted cash flow model has been used at 30 June 2021 to value the Group's CGUs. Financial plans approved by the Board for year ending 30 June 2022 and management projections for years ending 30 June 2023 to 30 June 2025. These include projected revenues, EBIT margins and expenses and have been determined with reference to historical company experience, industry data and management's expectation for the future.

Management has considered the impacts of COVID-19 in forecast cash flows and longer term projects.

The following inputs and assumptions have been adopted:

2021	**Galaxy**	**Noetic**
Annual sales (% annual growth rate) FY23 - FY24	**10%**	10%
Operating expenditure (% annual growth rate)	**5%**	5%
EBIT Margin %	**15%**	12%
Pre-tax discount rate (%)	**16.8%**	16.8%

2020	**Galaxy**
Annual sales (% annual growth rate)	**11%**
Operating expenditure (% annual growth rate)	**10%**
EBIT Margin %	**12%**
Pre-tax discount rate (%)	**20%**

Management has determined the values assigned to each of the above key assumptions as follows:

Assumption	**Approach used to determine values**
Sales growth	Average annual growth rate over the three-years to June 2024
Operating expenditure	Operating expenditure comprises of both fixed and variable costs. Fixed costs of the CGUs, which do not vary significantly with sales volumes or prices. Management forecasts these costs based on the current structure of the business, adjusting for inflationary increases but not reflecting any future restructurings or cost-saving measures which take into account the movement in both fixed and variable costs.
EBIT margin %	Based on past performance and management's expectations for the future.
Pre-tax discount rate	The discount rate was estimated based on our weighted average cost of capital, adjusted for specific company risk.

No reasonable change in the above assumptions will lead to an impairment of goodwill for either CGU.

17 Deferred tax assets

(a) Deferred tax assets

	2021 $	2020 $
The balance comprises temporary differences attributable to:		
Tax losses	**808,835**	370,514
Employee benefits	**2,574,421**	1,312,333
Other		
Accruals	**347,359**	727,064
Lease liabilities	**915,256**	1,246,814
Other	**422,718**	170,263
Sub-total other	**1,685,333**	2,144,141
Total deferred tax assets	**5,068,589**	3,826,988
Set-off of deferred tax liabilities pursuant to set-off provisions (see below (b))	**(1,035,350)**	(1,710,602)
Net deferred tax assets	**4,033,239**	2,116,386
Deferred tax assets expected to be recovered within 12 months*	**1,375,246**	1,813,023
Deferred tax assets expected to be recovered after more than 12 months	**2,657,993**	303,363
	4,033,239	2,116,386

* Net deferred tax assets of $1,813,023 have been reclassified to non current assets within the Statement of Financial Position as at 30 June 2020.

Movements	**Tax losses $**	**Employee benefits $**	**Other $**	**Total $**
At 1 July 2019	153,992	1,096,269	577,694	1,827,955
(Charged)/credited				
- to profit or loss	216,522	216,064	415,791	848,377
Adjustment on adoption of AASB 16	-	-	1,150,656	1,150,656
At 30 June 2020	370,514	1,312,333	2,144,141	3,826,988
(Charged)/credited				
- to profit or loss	334,529	1,044,069	(759,476)	619,122
Acquisition of subsidiary	103,792	218,019	300,668	622,479
At 30 June 2021	808,835	2,574,421	1,685,333	5,068,589

The deferred tax assets include an amount of $808,835 which relates to carried-forward tax losses. The group has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets for the relevant subsidiaries. The subsidiaries are expected to generate taxable income from 2022 onwards.

17 Deferred tax assets (continued)

(b) Deferred tax liabilities

	2021 $	2020 $
The balance comprises temporary differences attributable to:		
Other		
Prepayments	**84,228**	36,678
Right of use assets	**862,596**	1,214,098
Accrued income	**88,526**	459,826
Total deferred tax liabilities	**1,035,350**	1,710,602
Set-off of deferred tax assets pursuant to set-off provisions	**(1,035,350)**	(1,710,602)
Net deferred tax liabilities	**-**	-

Movements	**Other $**	**Total $**
At 1 July 2019	315,747	315,747
Charged/(credited)		
- profit or loss	244,199	244,199
Adjustment on adoption of AASB 16	1,150,656	1,150,656
At 30 June 2020	1,710,602	1,710,602
Charged/(credited)		
- profit or loss	(262,596)	(262,596)
Acquisition of subsidiary	(412,656)	(412,656)
At 30 June 2021	1,035,350	1,035,350

18 Trade and other payables

	2021			2020		
	Current $	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Trade payables	**11,951,224**	**-**	**11,951,224**	6,446,459	-	6,446,459
Payroll tax and PAYG	**1,737,261**	**-**	**1,737,261**	1,395,756	-	1,395,756
Accrued expenses	**1,891,568**	**-**	**1,891,568**	1,852,523	-	1,852,523
Accrued staff bonuses	**3,620,133**	**-**	**3,620,133**	1,400,143	-	1,400,143
GST Payable	**2,230,583**	**-**	**2,230,583**	1,363,840	-	1,363,840
Other payables	**5,073,294**	**-**	**5,073,294**	2,250,188	-	2,250,188
	26,504,063	**-**	**26,504,063**	14,708,909	-	14,708,909

19 Borrowings

	2021			2020		
	Current $	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Unsecured						
Loans from related parties*	**-**	**1,750,000**	**1,750,000**	-	-	-
Loans from third party	**25,369**	**-**	**25,369**	1,627,574	-	1,627,574
Loans from shareholders	**231,703**	**-**	**231,703**	353,532	-	353,532
Total unsecured borrowings	**257,072**	**1,750,000**	**2,007,072**	1,981,106	-	1,981,106

In 2020, the total unsecured borrowings from third parties were borrowed for a 6 to 12 months maturity as interest free loan.

* Further information relating to loans from related parties is set out in note 28.

20 Provisions

	2021			2020		
	Current $	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Onerous contracts	**1,416,000**	**-**	**1,416,000**	-	-	-

(a) Information about individual provisions and significant estimates

Onerous contracts

An onerous contract is considered to exist where the company has a contract under which the unavoidable cost of meeting the contractual obligations exceed the economic benefits estimated to be received. Present obligations arising under onerous contracts are recognised as a provision to the extent that the present obligation exceeds the economic benefits estimated to be received

(b) Movements in provisions

2021	**Onerous contract $**
Carrying amount at start of year	-
Charged/(credited) to profit or loss	
- additional provisions recognised	1,416,000
Carrying amount at end of year	1,416,000

21 Employee benefit obligations

	2021			2020		
	Current $	**Non-current $**	**Total $**	Current $	Non-current $	Total $
Leave obligations (a)	**4,789,461**	**798,453**	**5,587,914**	3,767,383	23,695	3,791,078

21 Employee benefit obligations (continued)

(a) Leave obligations

The leave obligations cover the Group's liability for long service leave and annual leave.

The current portion of this liability includes all of the accrued annual leave, the unconditional entitlements to long service leave where employees have completed the required year of service and also for those employees who are entitled to pro-rata payments in certain circumstances. The entire amount of the provision of $4,789,461 (2020: $3,767,383) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. Due to COVID-19 restrictions, management estimates that 40% (2020: 50%) of the current leave obligations is considered as to be paid within 12 months and 60% (2020: 50%) to be paid beyond 12 months.

The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months.

	2021 $	2020 $
Current leave obligations expected to be settled after 12 months	**2,873,677**	1,883,692

22 Contributed equity

(a) Share capital

	2021 Shares	2020 Shares	**2021 $**	2020 $
Ordinary shares				
Fully paid	**145,065,427**	130,874,536	**25,907,742**	21,381,649

(b) Movements in ordinary shares:

Details	**Number of shares**	**Total $**
Balance 1 July 2019	4	4
Share split	77,420,420	-
Issue of shares	53,454,112	21,381,645
Balance 30 June 2020	130,874,536	21,381,649
Issue of shares	14,190,891	4,526,093
Balance 30 June 2021	145,065,427	25,907,742

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and on a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

22 Contributed equity (continued)

(d) Risk management

The Group's objectives when managing capital are to:

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

23 Other reserves and accumulated losses

(a) Other reserves

The following table shows a breakdown of the consolidated statement of financial position line item 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	Share-based payments $	Transactions with NCI $
Balance at 1 July 2019	-	(964,663)
Other movements in other reserves	-	(5,119,739)
At 30 June 2020	**-**	**(6,084,402)**

	Share-based payments $	Transactions with NCI $
Balance at 1 July 2020	-	(6,084,402)
Other movements in other reserves	-	(3,304,547)
Transactions with owners in their capacity as owners		
Share-based payment expenses	806,464	-
At 30 June 2021	**806,464**	**(9,388,949)**

(i) Nature and purpose of other reserves

Share-based payments

Other reserves is used to recognise the benefits provided to employees via the employee share arrangement.

Transactions with non-controlling interests

This reserve is used to record the differences described in note 1(b) which may arise as a result of transactions with non-controlling interests that do not result in a loss of control.

23 Other reserves and accumulated losses (continued)

(b) Accumulated losses

Movements in accumulated losses were as follows:

	2021 **$**	2020 $
Balance 1 July	**(5,915,202)**	(7,227,547)
Net profit for the year	**6,488,400**	2,579,543
Dividends	**(6,500,000)**	-
Disposal of subsidiary	**-**	(503,790)
Transactions with non-controlling interests	**-**	(763,408)
Balance 30 June	**(5,926,802)**	(5,915,202)

24 Dividends

(a) Ordinary shares

	2021 **$**	2020 $
Final dividend for the year ended 30 June 2021 of 4.45 cents per fully paid share	**6,500,000**	-

(b) Franked dividends

The final dividends recommended after 30 June 2021 will be fully franked out of existing franking credits, or out of franking credits arising from the payment of income tax in the year ending 30 June 2021.

	2021 **$**	2020 $
Franking credits available for subsequent reporting periods based on a tax rate of 30.0% (2020 - 30.0%)	**4,293,986**	4,701,256

The above amounts are calculated from the balance of the franking account as at the end of the reporting year, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the year.

25 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd), its related practices and non-related audit firms:

(a) PricewaterhouseCoopers

(i) Audit and other assurance services

	2021 $	2020 $
Audit and other assurance services		
Audit and review of financial statements	**183,950**	139,250
Total remuneration for audit and other assurance services	**183,950**	139,250

26 Contingent liabilities and contingent assets

Contingent liabilities

The Group had contingent liabilities of $175,195 at 30 June 2021 in respect of a bank guarantee (2020: $69,221).

27 Commitments

(a) Capital commitments

The Group had no capital purchase commitments at 30 June 2021 (2020: nil).

28 Related party transactions

(a) Parent entities

The Group is controlled by the following entities:

Name	Type	Place of incorporation	Ownership interest 2021	Ownership interest 2020
Driftwood IT Pty Limited	Immediate and ultimate parent entity	Australia	**56.3%**	59.4%

In 2020, 263 Finance Pty Ltd subscribed for shares in Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) amounting to a 25.2% interest in the issued shares of the Group.

(b) Subsidiaries

Interests in subsidiaries are set out in note 30(a).

(c) Key management personnel compensation

	2021 $	2020 $
Short-term employee benefits	**835,540**	662,094
Post-employment benefits	**40,285**	37,551
Share-based compensation	**749,239**	-
Long-term benefits	**15,405**	9,116
	1,640,469	708,761

28 Related party transactions (continued)

(d) Transactions with related parties

The following transactions occurred with related parties:

	2021 **$**	2020 $
Sales and purchases of goods and services		
Sale of services	**99,175**	86,486
Purchase of services	**2,632**	45,919

Related party sales and purchases are with Kanji Group Pty Ltd and are done on arm's length basis.

(e) Loans to/from related parties

	2021 **$**	2020 $
Loans to related parties		
Beginning of the year	**57,149**	-
Loans advanced	**37,903**	57,149
End of year	**95,052**	57,149
Loans from related parties		
Beginning of the year	**-**	-
Loans advanced	**1,750,000**	-
End of year	**1,750,000**	-

(f) Terms and conditions

On 28 January 2021, the Group borrowed $1,750,000 from 263 Finance Pty Limited, a related party. The loan is due in three years and has an interest rate of BBSY+1%.

29 Business combination

Acquisition of Noetic Group Pty Limited

(a) Summary of acquisition

On 1 February 2021 FTS NHC Pty Ltd entered into a Share Sale Agreement to acquire 55% (3,300 shares out of 6,000) of Noetic Group Pty Limited (Noetic Group). Noetic Group Pty Limited is a holding company and owns 100% of the shares in Noetic Solutions Pty Ltd. (Noetic).

FTS NHC Pty Limited (the acquiring entity) has adopted a provisional accounting approach as permitted by AASB 3 *Business Combinations*. Any true ups required to fair value of assets and liabilities taken on will be reflected as at 30 June 2022.

29 Business combination (continued)

Acquisition of Noetic Group Pty Limited (continued)

(a) Summary of acquisition (continued)

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	2021 $
Purchase consideration	
Cash paid	**1,750,000**
Contingent consideration	**3,037,561**
Total purchase consideration	**4,787,561**

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value $
Cash and cash equivalents	**1,237,256**
Trade and other receivables	**974,120**
Contract assets	**429,430**
Current tax receivable	**86,125**
Other current assets	**22,090**
Property, plant and equipment	**84,561**
Intangibles	**6,246**
Deferred tax asset	**205,059**
Trade and other payables	**(1,581,919)**
Contract liabilities	**(78,186)**
Provisions	**(658,234)**
Net identifiable assets acquired	**726,548**
Less: non-controlling interests	**(326,930)**
Add: goodwill	**4,387,943**
Net assets acquired	**4,787,561**

The total goodwill arising on acquisition of Noetic Group Pty Limited is $4.163m which relates predominantly to the key management, specialised know-how of the workforce, employee relationships, competitive position and service offerings that do not meet the recognition criteria as an intangible asset at the date of acquisition.

(i) Significant estimate: contingent consideration

In the event that certain pre-determined EBIT targets are achieved by the subsidiary for the years ending 30 June 2021, 30 June 2022 and 30 June 2023, contingent consideration of up to $4 million may be payable in cash.

The fair value of the probability-adjusted contingent consideration of $3,037,561, was estimated by calculating the present value of the future expected cash flows. The present value of the estimates is based on a discount rate of 3.57% and the future EBIT range of Noetic Group Pty Limited of the following amounts:

Year EBIT range

30 June 2021 $2.6M
30 June 2022 $2.05M - $2.65M
30 June 2023 $2.80M - $3.00M

29 Business combination (continued)

Acquisition of Noetic Group Pty Limited (continued)

(a) Summary of acquisition (continued)

(ii) Accounting policy choice for non-controlling interests

The Group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in Noetic Group Pty Limited, the Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets. See note 1(h) for the Group's accounting policies for business combinations.

(iii) Revenue and profit contribution

Noetic total revenue for FY21 was $17,044,339 and net profit was $1,695,685. Acquired business contributed revenue of $8,871,345 and net profit $1,430,681 to the Group for the period 1 February to 30 June 21.

(b) Purchase consideration - cash outflow

	2021 **$**
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	**1,750,000**
Less: Balances acquired	
Cash	**(1,237,256)**
Net outflow of cash - investing activities	**512,744**

Acquisition of Chartsmart Consulting Pty Limited

(a) Summary of acquisition

On 10 July 2020, Galaxy 42 entered into a Share Purchase Agreement to acquire 100% of the shares in Chartsmart Consulting Pty Ltd (Chartsmart). The date of acquisition was 1 July 2020.

The final consideration comprised contingent consideration of $97,000, which was subject to earn out and employee retention targets. These targets have been met before the end of the year and only $30,000 of the consideration remained unpaid at 30 June 2021, which was subsequently paid post year end.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	2021 **$**
Purchase consideration	
Cash paid	**307,000**
Contingent consideration	**60,000**
Total purchase consideration	**367,000**

29 Business combination (continued)

Acquisition of Chartsmart Consulting Pty Limited (continued)

(a) Summary of acquisition (continued)

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value **$**
Cash and cash equivalents	**458,411**
Trade receivables	**108,800**
Contract assets	**178,930**
Deferred tax asset	**18,826**
Trade and other payables	**(404,541)**
Contract liabilities	**(78,800)**
Current tax liability	**(86,092)**
Provisions	**(68,457)**
Net identifiable assets acquired	**127,077**
Add: goodwill	**239,923**
Net assets acquired	**367,000**

(b) Purchase consideration - cash outflow

	2021 **$**
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	**337,000**
Less: Balances acquired	
Cash	**(458,411)**
Net inflow of cash - investing activities	**(121,411)**

Acquisition of Esam Consultants Pty Limited

(a) Summary of acquisition

On 26 March 2021, Galaxy 42 Group Pty Ltd entered into a Share Purchase Agreement to acquire 100% (10 shares) of the shares in Esam Consulting Pty Ltd (Esam). The purchase consideration of $1,657,157, which comprised of a cash settlement of $960,157 directly to the shareholders and repayment of loans owed directly by the directors to Esam of $697,000. The date of acquisition was 1 April 2021 but was deemed 31 March 2021 for acquisition accounting purposes.

Galaxy 42 Group Pty Limited (the acquiring entity) has adopted a provisional accounting approach as permitted by AASB 3 *Business Combinations*. Any true ups required to fair value of assets and liabilities taken on will be reflected as at 30 June 2022.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	2021 **$**
Purchase consideration	
Cash paid	**960,157**
Acquisition of shareholder loan	**697,000**
Total purchase consideration	**1,657,157**

29 Business combination (continued)

Acquisition of Esam Consultants Pty Limited (continued)

(a) Summary of acquisition (continued)

The assets and liabilities recognised as a result of the acquisition are as follows:

	Fair value $
Cash and cash equivalents	**386,400**
Trade receivables	**929,504**
Property, plant and equipment	**26,994**
Intangibles	**333**
Trade and other payables	**(152,345)**
Other current liabilities	**(151,099)**
Current tax liability	**(245,201)**
Net identifiable assets acquired	**794,586**
Add: goodwill	**862,571**
Net assets acquired	**1,657,157**

(i) Revenue and profit contribution

ESAM total revenue for FY21 was $2,531,008 and net profit was $599,380. Acquired business contributed revenue of $911,935 and net profit $17,182 to the Group for the period 1 April to 30 June 21.

(b) Purchase consideration - cash outflow

	2021 $
Outflow of cash to acquire subsidiary, net of cash acquired	
Cash consideration	**960,157**
Less: Balances acquired	
Cash	**(386,400)**
Net outflow of cash - investing activities	**573,757**

30 Interests in other entities

(a) Material subsidiaries

The Group's principal subsidiaries at 30 June 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of entity	**Place of business/ country of incorporation**	**Ownership interest held by the group 2021 %**	2020 %	**Principal activities**
Foundation Technology Services Pty Ltd	Australia	**100**	100	IT consulting
Cubic Consulting Pty Ltd	Australia	**100**	100	IT consulting
FTS Resourcing Pty Ltd	Australia	**100**	100	Recruiting
Anatas Pty Ltd	Australia	**100**	100	IT consulting

30 Interests in other entities (continued)

(a) Material subsidiaries (continued)

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group 2021 %	2020 %	Principal activities
FTS Nominees Pty Ltd	Australia	**100**	100	Holding company
FTS VHC Pty Ltd	Australia	**100**	100	Holding company
FTS PHC Pty Ltd	Australia	**100**	100	Holding company
SME Gateway Pty Ltd	Australia	**100**	100	Prime contractor organiser
Kobold Group Pty Ltd	Australia	**100**	100	Technical source company
FTS Data & AI Pty Ltd	Australia	**100**	58	IT consulting
Veritec Pty Ltd	Australia	**100**	100	IT consulting
FTSG Pty Ltd	Australia	**100**	100	Share services
Connexxion Pty Ltd	Australia	**100**	100	IT consulting
Galaxy 42 Pty Ltd	Australia	**100**	54	IT consulting
Galaxy 42 Group Pty Ltd	Australia	**100**	54	Holding company
Noetic Group Pty Ltd	Australia	**55**	-	Consulting
Noetic Solutions Pty Ltd	Australia	**55**	-	Consulting
Chartsmart Consulting Pty Ltd	Australia	**100**	-	Consulting
Esam Consultants Pty Ltd	Australia	**100**	-	Consulting
Safety Evolved Pty Ltd	Australia	**100**	100	IT Consulting

(b) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary are before inter-Company eliminations.

Summarised balance sheet	Noetic Group Pty Ltd 30 June 2021 $	30 June 2020 $
Current assets	**5,976,110**	-
Current liabilities	**4,285,888**	-
Current net assets	**1,690,222**	-
Non-current assets	**467,606**	-
Non-current liabilities	**-**	-
Non-current net assets	**467,606**	-
Net assets	**2,157,828**	-
Accumulated NCI	**786,992**	-

30 Interests in other entities (continued)

(b) Non-controlling interests (NCI) (continued)

	Noetic Group Pty Ltd	
Summarised statement of comprehensive income	**30 June 2021 $**	30 June 2020 $
Revenue	**8,769,812**	-
Profit for the period	**1,430,682**	-
Other comprehensive income	**-**	-
Total comprehensive income	**1,430,682**	-
Profit allocated to NCI	**459,775**	-

During the financial year, prior to the acquisition of the non controlling interests, profit of $613,838 was attributable to non controlling interests of Galaxy 42 Pty Ltd, Chartsmart Consulting Pty Limited and ESAM Consultants Pty Limited.

(c) Interests in associates

Set out below are the associates and joint ventures of the Group as at 30 June 2021. The entity listed below has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business/ country of incorporation	% of ownership interest		Nature of relationship	Measurement method	Carrying amount	
		2021 %	2020 %			**2021 $**	2020 $
Protegic Pty Ltd	Australia	**24.42**	24.42	Associate	Equity method	**496,616**	217,064
Total equity accounted investments						**496,616**	217,064

(i) Summarised financial information for associates

	Protegic Pty Limited	
Summarised balance sheet	**2021 $**	2020 $
Current assets		
Cash and cash equivalents	**712,169**	715,702
Other current assets	**1,506,893**	956,149
Total current assets	**2,219,062**	1,671,851
Non-current assets	**1,032,921**	1,032,921
Current liabilities		
Financial liabilities (excluding trade payables)	**580,052**	616,244
Other current liabilities	**616,727**	316,306
Total current liabilities	**1,196,779**	932,550

30 Interests in other entities (continued)

(c) Interests in associates (continued)

(i) Summarised financial information for associates (continued)

	Protegic Pty Limited	
Summarised balance sheet	**2021 $**	2020 $
Non-current liabilities		
Other non-current liabilities	**21,560**	28,038
Total non-current liabilities	**21,560**	28,038
Net assets	**2,033,644**	**1,744,184**
Reconciliation to carrying amounts:		
Opening net assets 1 July	**1,744,184**	1,210,731
Profit for the year	**289,460**	533,453
Closing net assets	**2,033,644**	1,744,184
Group share in %	**24.42%**	24.42%
Group's share in $	**496,616**	512,576
Carrying amount	**496,616**	512,576

	Protegic Pty Limited	
Summarised statement of comprehensive income	**2021 $**	2020 $
Revenue	**5,915,608**	7,676,367
Interest income	**-**	496
Interest expense	**-**	30,276
Profit from continuing operations	**289,460**	**533,453**
Profit for the year	**289,460**	533,453
Total comprehensive income	**289,460**	**533,453**

31 COVID-19 impact

The COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community and the economy. Following the COVID-19 outbreak, the Group has continued its business operations. The situation is unprecedented and management continues to consider the potential implications of COVID-19, which may include availability of employees and changes in customer demand. However, as at the date these financial statements were authorised, the Group was not aware of any material adverse effects on the financial statements or future results as a result of the COVID-19.

32 Events occurring after the reporting period

On 31 August 2021, the Group changed its name to Atturra Holdings Pty Ltd.

On 17 August 2021, FTS Nominees Pty Ltd acquired 100% of the shares in Mentum Systems Pty Ltd which has a presence mainly in the ACT for a purchase consideration of $4,100,000. The majority of the purchase was financed by a drawdown of $4,000,000 from the loan with 263 Finance Pty Ltd.

No other matter or circumstance has occurred subsequent to year end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

33 Cash flow information

(a) Reconciliation of profit/(loss) after income tax to net cash (outflow) inflow from operating activities

	2021 $	2020 $
Profit for the year	**7,564,824**	2,889,636
Adjustments for:		
Depreciation and amortisation	**1,635,687**	1,351,530
Non-cash employee benefits expense - share-based payments	**806,464**	-
Net (gain)/loss on sale of non-current assets	**(21,903)**	-
Share of profits of associates	**(70,686)**	(167,255)
Impairment of goodwill	**-**	775,121
Reversal of investment in associate previously impaired	**(208,866)**	-
Change in operating assets and liabilities:		
(Increase) in trade and other receivables	**(4,902,568)**	918,419
Decrease/(increase) in work in progress	**2,765,135**	(903,616)
(Increase) in deferred tax assets	**(1,711,795)**	(604,178)
Increase in trade and other payables	**2,397,175**	1,195,238
Increase in income taxes payable	**1,839,354**	836,302
Increase in provisions	**7,429,665**	909,467
Net cash inflow from operating activities	**17,522,486**	7,200,664

(b) Net debt reconciliation

This section sets out an analysis of the movements of net debt and the movements in net cash for each of the years presented.

Net debt	**2021 $**	2020 $
Cash and cash equivalents	**17,327,577**	8,799,465
Borrowings	**(2,007,072)**	(1,981,106)
Lease liabilities	**(3,050,855)**	(4,156,047)
Net debt	**12,269,650**	2,662,312

33 Cash flow information (continued)

(b) Net debt reconciliation (continued)

	Liabilities from financing activities			**Other assets**	
	Borrowings $	**Leases $**	**Sub-total [$**	**Cash/bank overdraft $**	**Total $**
Net debt as at 1 July 2019	(16,421,450)	-	(16,421,450)	4,169,599	(12,251,851)
Cash flows	13,679,373	871,283	14,550,656	4,629,866	19,180,522
New leases	-	(1,191,811)	(1,191,811)	-	(1,191,811)
Others	760,971	-	760,971	-	760,971
Net debt as at 30 June 2020	(1,981,106)	(320,528)	(2,301,634)	8,799,465	6,497,831
Recognised on adoption of AASB 16	-	(3,835,519)	(3,835,519)	-	(3,835,519)
Net debt as at 30 June 2020	(1,981,106)	(4,156,047)	(6,137,153)	8,799,465	2,662,312

	Borrowings $	Borrowings due after 1 year $	Sub-total $	Cash/bank overdraft $	Total $
Net debt as at 1 July 2020	(1,981,106)	(4,156,047)	(6,137,153)	8,799,465	2,662,312
Cash flows	(25,966)	1,105,192	1,079,226	8,528,112	9,607,338
Net debt as at 30 June 2021	**(2,007,072)**	**(3,050,855)**	**(5,057,927)**	17,327,577	12,269,650

34 Earnings per share

(a) Basic earnings per share

	2021 Cents	2020 Cents
From continuing operations attributable to the ordinary equity holders of the company	**4.9**	2.4
Total basic earnings per share attributable to the ordinary equity holders of the Company	**4.9**	2.4

(b) Diluted earnings per share

	2021 Cents	2020 Cents
From continuing operations attributable to the ordinary equity holders of the company	**4.9**	2.4
Total diluted earnings per share attributable to the ordinary equity holders of the Company	**4.9**	2.4

34 Earnings per share (continued)

(c) Reconciliations of earnings used in calculating earnings per share

	2021 **$**	2020 $
Basic earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
From continuing operations	**6,488,405**	2,579,543

(d) Weighted average number of shares used as the denominator

	2021 **Number**	2020 Number
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**133,548,305**	106,965,154

35 Share-based payments

(a) Employee share scheme

During the year, shares were issued by the company to certain employees as part of their remuneration package. The shares issued to employees rank equally with other fully paid ordinary shares on issue.

	Number of shares issued	
	2021	2020
Share-based compensation	**5,863,440**	-

The weighted average fair value of the shares issued to employees at grant date was 16.74 cents.

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the year as part of employee benefit expense were as follows:

	2021 **$**	2020 $
Share-based compensation expense	**806,464**	-

36 Parent entity financial information

(a) Summary financial information

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

	2021 **$**	2020 $
Balance sheet		
Current assets	**-**	-
Non-current assets	**23,047,752**	16,620,994
Total assets	**23,047,752**	16,620,994
Current liabilities	**-**	-
Non-current liabilities	**1,206**	1,206
Total liabilities	**1,206**	1,206
Net assets	**23,046,546**	16,619,788
Shareholders' equity		
Issued capital	**25,907,742**	21,381,649
Accumulated losses	**(2,861,196)**	(4,761,861)
	23,046,546	16,619,788
Profit/(loss) for the year	**8,400,665**	(4,761,859)
Total comprehensive income/(loss)	**8,400,665**	(4,761,859)

(b) Guarantees entered into by the parent entity

The parent entity has not provided any financial guarantees in respect of bank overdrafts and loans.

(c) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2021 and 30 June 2020.

(d) Contractual commitments for the acquisition of property, plant or equipment

As at 30 June 2021, the parent entity had no contractual commitments for the acquisition of property, plant or equipment (2020: $nil).

In the directors' opinion:

(a) the consolidated financial statements and notes set out on pages 5 to 54 are in accordance with the *Corporations Act 2001*, including:

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

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the financial year ended on that date, and

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

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

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

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

Shan Shamsher Kanji
Director

Sydney
8 October 2021

Independent auditor's report

To the members of Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd)

Our opinion

In our opinion:

The accompanying financial report of Atturra Holdings Pty Ltd (formerly known as Foundation Technology Holdings Pty Ltd) (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended

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

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2021
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

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

Independence

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 & 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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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 on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

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

Auditor’s responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

PricewaterhouseCoopers

P.J. Carney

Paddy Carney
Partner

Sydney
8 October 2021