ANNUAL REPORT 2023

FINEXIA FINANCIAL GROUP LIMITED

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FINEXIA FINANCIAL GROUP LIMITED
ACN 106 760 418 | ASX:FNX

Level 18, Australia Square
264 George Street
Sydney NSW 2000

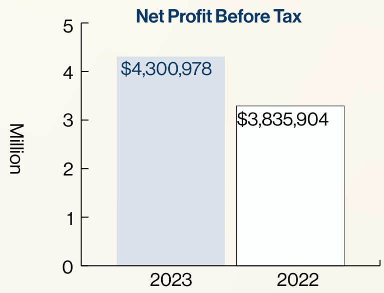
Performance Highlights 2023

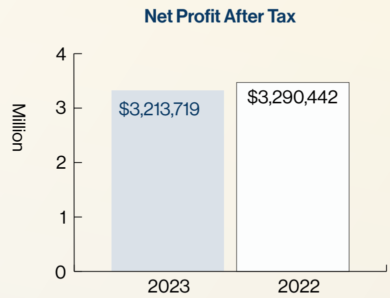
The **net profit after tax** for the year ended 30 June 2023 was **$3.2M** (2022: $3.3M).

2.3% ↓ FROM: 2022

The **net profit before tax** for the year ended 30 June 2023 was **$4.3M** (2022: $3.8M).

12.1% ↑ FROM: 2022

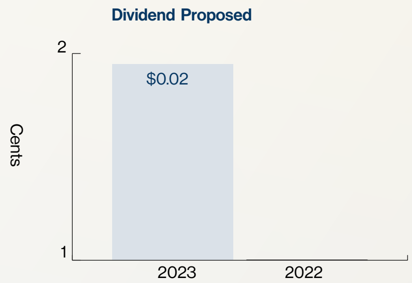




Cash Profit comparison: FY23 $2.76M -v- FY 22 $3.67M
In the FY22 the Group was able to claim tax losses from previous years.

Finexia declares it's inaugural **fully franked dividend** of **$0.02 per share** with 47,975,578 shares on issue.

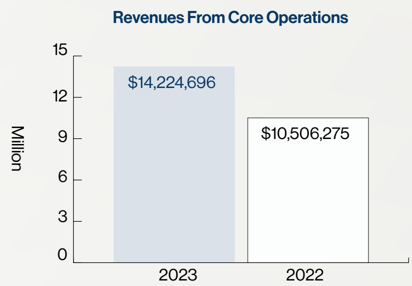
Dividend yield equates to **8.50%**



Given the recurring income base and confidence in the loan book profile has allowed the Group to approve and announce a Dividend Policy.

The group's **revenues** from core operations were **$14.2M** an increase compared to the previous year (2022: $10.2M).

35.4% ↑ FROM: 2022

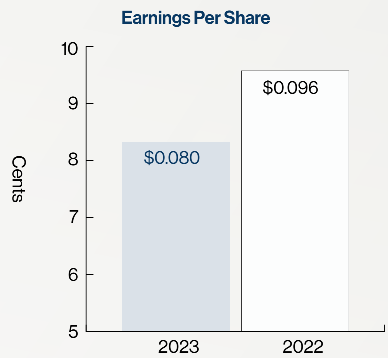


The growth in revenue came from two key sources;
1. Interest Income from our lending activities increasing from a growing loan portfolio (58% of the increase).
2. Distributions and Commissions from our Asset Management and Trading made up of the balance of this increase.

62% of our income is now deemed recurring.

The **earning per share** for the year ended 30 June 2023 was **$0.080** (2022: $0.096).

16.7% ↓ FROM: 2022



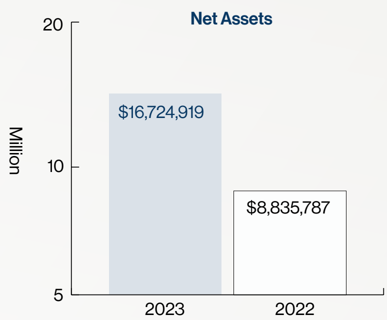
The Group undertook a right issue during the year, rasing $4.66M and issuing 15.5M new shares .Concurrent with this capital raise a 5:1 consolidation of capital was undertaken. during the year which impacted the results. On a like-for-like basis using the same weighted average share EPS would have been $0.0945

As at 30 June 2023 the **net assets** grew to **$16.7M** (2022: $8.8M)

89.3% ↑ FROM: 2022

As at 30 June 2023 the **net tangible assets** per share was $0.31 (2022: $0.14).

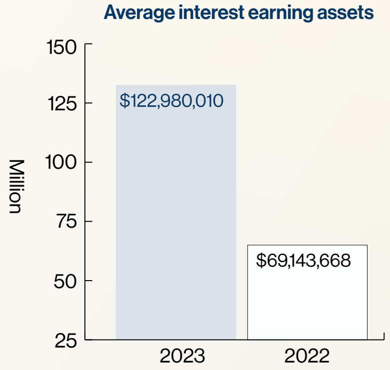
114.5% ↑ FROM: 2022



A significant 'stepped' increase in the Group's NTA was largely driven by capital rasied through the rights issue ($4.66M) and a dramatic increase in retained earnings ($3.21M).

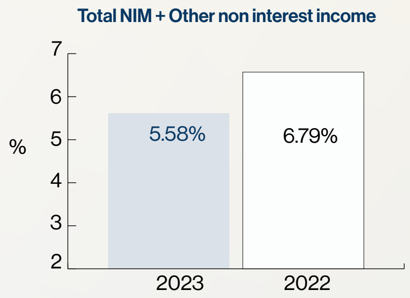
The **average interest earning assets** for the year ended 30 June 2023 was **$123M** (2022: $69M).

77.9%
FROM: 2022



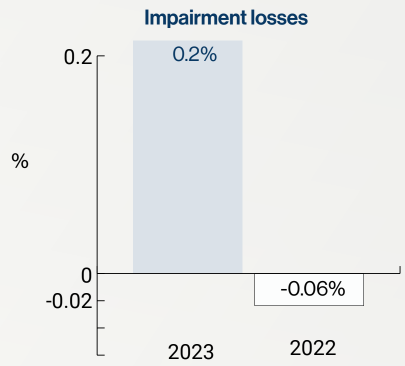
The Private Credit Loan Book and Investments of the Group saw growth in its key products of The Stay Company Income Fund, The Finexia Childcare Income Fund and Prime Asset Backed Lending (of which $70M is off balance sheet).

The group's **total NIM + other non interest income** was **5.58%** (2022: 6.79%).



The Net Interest Margin (NIM) of the Interest Earning Assets of the Group was impacted by:
1. Unforeseen time delays in drawdowns. Management estimates this cost circa 0.44% of total annual NIM.
2. Macro economic conditions namely rising funding costs challenged the Groups loan margins. The Group has transitioned its loan book and investor distributions to the RBA Cash Rate as its reference to manage this risk more effectively.

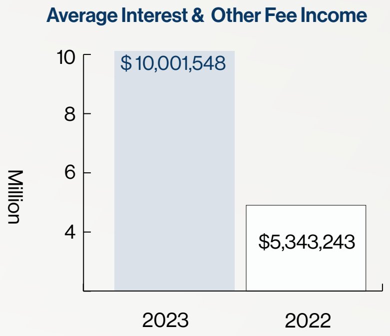
The **impaired loans** to average interest earning assets is 0.20%.



Impairement expense of $248,990 during the year.

The group's **total interest and other fee income** was **$10.0M**, compared to the previous year (2022: $4.1M)

87.2%
FROM: 2022



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Chairman's Letter

Dear Shareholders,

On behalf of the Board, I am pleased to present you with Finexia Financial Group Limited's Annual Report for FY23.

The 2023 financial year has been a period of significant achievement for the Finexia Group, building on the foundations laid in previous years. Whilst the external environment has presented a number of challenges, the Group has delivered a third consecutive year of profit for shareholders. The earnings before tax attributable to shareholders increased by 12.1% to A$4.30M (vs $3.83M in 2022). The net profit after tax for FY23 was A$3.21M, resulting in a cash profit of $A2.76M (the cash profit accounting for 86% of statutory profit), and further strengthening the cash position of the Group.

The Key Financial Performance Metrics	
Operating Income	**A$14.22M** (2022: *A$10.50M*)
Net Operating Profit (after tax)	**A$3.21M** (2022: *A$3.29M*)
Earnings per Share	**A$0.080** (2022: A$0.096)
Dividend per Share	**A$0.02** (2022: NIL)
Price to Earnings Ratio	**3.13** (mkt price $0.26 – 16 August 2023)

Pleasingly, the Group's topline revenue from core activities grew 35.0% year on year to A$14.22M. Driving this income growth was a significant expansion of the private credit loan book with it doubling in size (total amount drawn down) over the year.

The Board view this as an outstanding achievement in the face of uncertainty bought about by challenging macroeconomic conditions, rising interest rates and the knock-on effect to the cost of capital. Finexia has demonstrated a high degree of resilience in maintaining its target Net Interest Margin NIM >500bps in total (incorporating interest & fees) during this period of heightened volatility.

This has largely been achieved through a disciplined approach to loan origination and deal analysis without compromise of our credit standards, as highlighted by the fact that loan impairment is running at impressively low 0.19% across the loan book. In order to maintain this rate of growth, the Group made substantive investments in its people to ensure that operations are well resourced with the right skills across the entire operation. As a result, staff costs increased by $1M to 17% of revenue.

The group also experienced an increased cost (A$500K) related to unforeseen timing mismatches between capital on hand and delays in drawdowns for a small number of portfolio style loan facilities.
Approximately 62% of the Group revenue is deemed recurring in nature and will continue to grow as a percentage of overall revenue in the coming years. This is a deliberate strategy by the Group as it continues to direct its efforts and resources towards expansion of its footprint in the private credit market.

To accelerate the Group's private credit growth in 2024, the main challenge remains access to competitive capital that has sufficient flexibility to deploy across the loan book. The Group has currently engaged a number of interested parties with the aim of securing a wholesale warehouse style funding solution to satisfy our immediate current funding pipeline of demand within the childcare sector. Securing this style of funding will be a 'game changer' for Finexia and its shareholders, affording the Group the opportunity to accelerate its growth strategy in a timely manner.

In January 2023, the Group undertook a rights issue to shareholders, successfully raising A$4.66M. The funds were deployed to further grow assets under management in the Group's wholesale resort and accommodation fund, Stay Company Income Fund (Stayco), concurrent with further principal investment in the Finexia Childcare Income Fund.

Given the Group's strong performance, strong financial position and future capital requirements, the Board is pleased to announce shareholders will receive a maiden fully franked final dividend of 2.0 cents per share. In conjunction with the dividend payment the Board has implemented a dividend reinvestment plan which will allow eligible shareholders to reinvest and receive their dividends in the form of ordinary shares in the Group.

Operational Commentary and Highlights

In October 2022, the Group launched its core strategic initiative, the Finexia Childcare Income Fund (ARSN 658 543 625). The Fund is designed to provide a market leading non-bank funding solution for experienced and successful childcare and early learning centre operators to acquire, open and trade-up centres across Australia. The Fund's current investor return is 5.65%pa above the RBA Cash Rate, equating to a yield of 9.75%pa, paid in the form of monthly cash distributions.

Finexia's investment team continue to hold a strong conviction towards the childcare and early learning thematic over the medium to longer term with significant tailwinds for the sector being generated by an ongoing supply-v-demand imbalance, substantial government support via family subsidies, and rising living cost pressures forcing parents back into the workforce.

Whilst the Finexia Childcare Income Fund will be instrumental in driving the Group's future revenue and profit growth, the Group continues to explore other opportunities in the private credit market, be it exclusively or through strategic partnerships.

Stayco contributed A$4.68M towards the Group revenues and we remain committed to the continued success and growth of Stayco Fund as demonstrated by the fact we are now in the final stages of due diligence to acquire two additional assets to consolidate and strengthen the portfolio. Upon successful completion of this acquisition, Stayco will compromise a total of ten resort style assets across southeast Queensland with a particular focus on the holiday destination of Broadbeach on the Gold Coast (+600 rooms). Stayco will continue to seek additional complementary accretive assets and partnerships in the broader accommodation sector.

During the year the Group implemented a new fully integrated loan management system that will further drive operational scale and efficiencies, delivering significant uplift in profitability, through improved capital management, risk management and operational efficiencies. Along with the investment in technology, the Group made further significant investment in its human resources with a number of key personnel hires, designed to ensure the Group's capabilities are well positioned to deliver on our strategic objectives into 2024 and beyond.

Moving forward into 2024, Finexia remains committed to its core activities as a private credit specialist, uniquely positioned to continue to take advantage of market dynamics as traditional funding sources including the major banks tighten access to credit and temper their willingness to finance certain sectors in the economy.

Finally, I would like to take the opportunity to recognise two of our key stakeholder groups and their contribution to this result. Firstly, I would like to acknowledge the efforts and commitment of our number one asset, the staff. Without our people this result would simply not be possible, so the Board and I thank them for their enormous contribution. Secondly, to our owners, the shareholders, who have supported the Group throughout the year, we thank you for your continued commitment as highlighted with their support in completing the rights issue earlier this year. Thank you.

The Group intends to provide a comprehensive business and operational update in the second quarter of this current financial year.

Yours sincerely,

Neil Sheather

Neil Sheather
Executive Chairman and Director

Sydney, 25 August 2023

Directors' Report
For The Year Ended 30 June 2023

Your directors present their report together with the consolidated financial statements of the Group comprising of Finexia Financial Group Limited (the 'Company') and its subsidiaries for the financial year ended 30 June 2023 and the auditor's report thereon.

Principal Activities

Finexia Financial Group is a specialist private credit provider focused on delivering enhanced income returns for clients through its core financing activities.

Backed by a wealth of experience and expertise in corporate banking and financing, the team at Finexia identify gaps and opportunities in the funding market and provide flexible solutions to satisfy this demand. The Group's competitive advantage lies in its agile approach along with a deep understanding of the core sectors it finances and operates in, namely, the childcare industry and the resort accommodation sector. The Group has an in-house funds management capability which provides an ability to structure investments and access capital for its primary lending operations.

The Group's client demographic encompasses the whole spectrum from retail investors, wholesale and corporate.

Financial Review

The net profit after tax for the year ended 30 June 2023 was **$3,213,719** (2022: $3,290,442).
The Group's revenues from core operations were **$14,224,696**, a significant 35% increase compared to the previous year (2022: $10,506,275).
The fair value gain in financial assets for the financial year was $606,029 (2022: loss of $238,918).

Dividends

No dividend has been paid during the financial year. The board has declared a $0.02 per share fully franked dividend for 2023, payable in October 2023.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs.

Likely Developments

The Group continues to evaluate various opportunities to expand the revenue and earnings base through partnering or acguisition of accretive assets and or businesses.

Matters Subsequent To The End Of The Financial Year

There was no other matter or circumstance that has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

a. the Group's operations in future financial years, or
b. the results of those operations in future financial years, or
c. the Group's state of affairs in future financial years.

Company Secretary

Mr. Neil Sheather

Meeting of Directors

The number of meetings of the Company's Board of Directors held in the 12 months to 30 June 2023 and the number of meetings attended by each Director were:

Directors Meetings		
	Eligible	Attended
Neil Sheather	4	4
Patrick Bell	4	4
Jean Marc Li Kam Tin	4	4

Shares Under Option

No options have been granted since the end of the previous financial year (2022: nil). At the date of this report, the Company did not have any listed class options over unissued ordinary shares. There were no shares issued on the exercise of options during the financial year.

Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report unless otherwise indicated

Mr. Neil Sheather

Executive chairman and director
Age 53

(Appointed 10 November 2014)

Mr. Sheather has held senior positions in the stockbroking industry for over 25 years, including directorships, responsible executive, licensee and senior executive management roles.

More recently has had responsibility and oversight of the Group's Funds and Asset Management operations. He is the current Chair of the Group's Credit and Investment Committee. He holds a Master of Business Administration degree from Newcastle University, and several other post graduate qualifications including a Graduate Diploma of Applied Finance.

Mr. Sheather has run the Australian operations on behalf of the Group since inception and has been instrumental in re-structuring the financial outcomes of those operations.

Other current directorships

Company
K2 Asset Management Holdings LTD
Date Appointed
1 July 2023
Date Ceased
Continuing

Former directorships in last 3 years
None

Mr. Patrick Bell

Executive director
Age 49

(Appointed 1 October 2020)

Mr Bell is an experienced corporate finance executive with over twenty years of experience in the financial services industry.

He has a wealth of experience in corporate lending and has led senior roles at one of the major banking institutions in Australia for over ten years. Mr Bell has a Bachelor of Business, a Masters in Business Administration from Monash University and a Diploma of Finance and Mortgage Broking.

He brings with him extensive banking industry experience and knowledge in the commercial financing and private credit sector. His focus has been on managing complex lending transactions across a range of industries including property construction and development, childcare and tourism.

Other current directorships
None

Former directorships in last 3 years
None

Mr. Jean Marc Li Kam Tin

Non- Executive director
Age 46

(Appointed 23 March 2020)

Jean Marc Li is a qualified Chartered Accountant, registered tax practitioner and a fellow member of the Tax Institute of Australia.

He has a Masters in Business Administration (Finance), a Masters of Professional Accounting, both from Griffith University and recently completed an entrepreneurship course from Harvard University.

Jean Marc Li started his career at KPMG in the audit and assurance division. He has also worked as Group Accountant, Financial Reporting Manager and Financial Controller for several ASX listed companies.

Other current directorships
None

Former directorships in last 3 years
None

Remuneration Report (Audited)
For The Year Ended 30 June 2023

This report outlays the remuneration arrangements in place for the Directors of Finexia Financial Group Limited.
The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

The following were key management personnel of the Group at any time during the year and unless otherwise indicated were key management personnel for the year:

Managing Director and Executive Chairman:	Mr. Neil Sheather
Executive Director:	Mr. Patrick Bell
Non-Executive Director:	Mr. Jean Marc Li Kam Tin

Remuneration philosophy (Audited)
The Board reviews the remuneration packages applicable to the executive and non-executive Directors on at least an annual basis. The broad remuneration policy is to ensure the remuneration package properly reflects the person's duties, responsibilities, and level of performance and that the remuneration is competitive in attracting, retaining, and motivating people of the highest quality. Independent advice on the appropriateness of remuneration packages is obtained, where necessary, although no such independent advice was sought during the financial year.

Remuneration committee (Audited)
The Group does not have a formally constituted remuneration committee of the Board. The Directors consider that the Group is not currently of a size nor are its affairs of such complexity as to justify the formation of a Remuneration committee. The Board assesses the appropriateness of the nature and amount of remuneration of Directors and its senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and management team.

Remuneration policy objective and structure (Audited)
Objective
The Board seeks to set aggregate remuneration at a level which provides the Group with the ability to attract and retain directors of the highest calibre, whilst incurring a cost which is acceptable to shareholders.

Structure
The Constitution and the ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The present limit of approved aggregate remuneration is $400,000 per year.
The Board reviews the remuneration packages applicable to the non-executive Directors on an annual basis. The Board considers fees paid to non-executive directors of comparable companies when undertaking the annual review process. It has been agreed that all non-executive Directors will be paid a fee of $3,000 per month, with the Chairman paid a fee of $5,000 per month. Non-executive Directors may also be remunerated for additional services performed at the request of the Board.

Executive Directors remuneration (Audited)
Objective
The Group aims to reward the Executive Directors with a level of remuneration commensurate with their position and responsibilities within the Group so as to:
- align the interests of the Executive Directors with those of shareholders;
- link reward with the strategic goals and performance of the Group; and
- ensure total remuneration is competitive by market standards.

Service agreements (Audited)
Mr. Sheather has a formal employment agreement. The current agreement provides for yearly remuneration of $400,000 plus superannuation.

Mr. Patrick Bell has a formal employment agreement. The current agreement provides for yearly remuneration of $400,000 plus superannuation.

The following tables outlines the remuneration arrangements in place for the Directors and key management personnel (KMP) of the Group both in 2023 and the prior year.

Details of remuneration – (Audited)

2022						
	Short-term			Long-term		
Name	**Director Fees and Salaries ($)**	**Consulting Fees ($)**	**Cash Bonus ($)**	**Super-annuation ($)**	**Total ($)**	**Options as Percentage of Remuneration (%)**
N Sheather	238,181	-	18,181	18,000	274,362	0%
JM Li	36,000	-	-	-	36,000	0%
P. Bell	321,479	-	80,000	32,147	433,626	0%
Total	**595,660**	**-**	**98,181**	**50,147**	**743,988**	
2023						
N Sheather	386,667	-	-	40,267	426,934	0%
JM Li	58,000	-	-	-	58,000	0%
P Bell	394,528	-	-	41,425	435,953	0%
Total	**839,195**	**-**	**-**	**81,692**	**920,887**	

Listed option-holdings of Key Management Personnel – (Audited)

The movement during the reporting period, by number of options over ordinary shares in the Company held, directly, indirectly, or beneficially, by each key management person, including their related parties, is as follows:

Name *(KMP)*	**Opening Balance 1 July**		**Additions (option expired)**		**Other***		**Closing Balance 30 June**	
	2022	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**
Options over ordinary shares	-	-	-	-	-	-	-	-
N Sheather	-	-	-	-	-	-	-	-
P. Bell	-	-	-	-	-	-	-	-
J Li	-	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

There were no options issued to Directors during the year or previous years by way of remuneration.

Shareholdings of Key Management Personnel – (Audited)

The movement during the reporting period in the number of ordinary shares in Finexia Financial Group Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

Name	**Opening Balance 1 July**		**Purchased**		**Other***		**Closing Balance 30 June**	
KMP								
	2022	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**
Ordinary shares								
N Sheather	6,301,386	6,301,386	-	988,095	-	(5,196,154)	6,301,386	2,093,327
J Li	-	-	-	-	-	-	-	-
P Bell	3,333,333	5,463,480	2,130,147	-	-	(4,370,784)	5,463,480	1,092,696
Total	**9,634,719**	**11,764,866**	**2,130,147**	**988,095**	**-**	**(9,566,938)**	**11,764,866**	**3,186,023**

* Other changes represent share consolidation of 5 shares to 1 during the year.

Share based compensation – (Audited)
The Company has not granted any options over unissued ordinary shares or ordinary fully paid shares during or since the end of the financial year to any Directors or officers as part of their remuneration (2022: Nil).

There were no shares granted during the reporting period as compensation (2022: Nil).

Other transactions and balances with Key Management Personnel – (Audited)
There were no director fees payable as at reporting date (2022: Nil).

There were no other transactions or balances with key management personnel, other than as reported within this report (2022: Nil).

Shares Issued as a Result of Exercise of Options – (Audited)
No shares of Finexia Financial Group Limited were issued during or since the end of the financial year ended 30 June 2023 as a result of the exercise of an option (2022: Nil).

Voting at the 2022 Annual General Meeting – (Audited)
At the 2022 AGM, over 99% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022.

Consequences of performance on shareholder wealth – (Audited)
In considering the Group's performance and benefits for shareholder wealth, the Board of Directors have regard to the following indices in respect of the current financial year and the previous four financial years:

	2023	2022	2021	2020	2019
Profit/(loss)[1] attributable to owners of the Company ($)	3,213,719	3,290,442	1,268,746	(602,711)	(1,071,940)
Dividends paid (cents)	Nil	Nil	Nil	Nil	Nil
Change in share price ($ /share)	(0.095)	Nil	0.001	(0.006)	(0.001)

[1] Profit or loss amounts have been calculated in accordance with Australian Accounting Standards (AASBs).

The overall level of key management personnel's compensation is assessed on existing remuneration agreements, level of underlying revenues provided by the KMP and financial performance of the Group.

End of Remuneration Report (audited)

Indemnification and Insurance of Officers
For The Year Ended 30 June 2023

The Company's Constitution requires it to indemnify directors and officers of any entity within the Group against liabilities incurred to third parties and against costs and expenses incurred in defending civil or criminal proceedings, except in certain circumstances. An indemnity is also provided to the Company's auditors under the terms of their engagement.

The Directors and officers of the Group have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The insurance premium paid was $230,184 and relates to:

- Costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome;
- Other liabilities that may arise from their position, with the exception of conduct involving a willful breach of duty or improper use of information or position to gain a personal advantage.

Proceedings on Behalf of the Company

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 other than as disclosed within this report.

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.

Non-Audit Services

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

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services are reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year the following fees were paid or payable for audit services provided by the auditor (Mazars Assurance Pty Ltd (QLD) of the Company, its related practices and non-related audit firms. There were no non-audit services provided by the auditor during the year.

Auditor's Independence Declaration

Audit services	2023	2022
Mazars Assurance Pty Ltd		
- Audit and review of financial reports	$ 122,550	$ 75,737

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12, and forms part of the directors' report for the financial year ended 30 June 2023.

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

Neil Sheather

Neil Sheather
Chairman
Sydney, 25 August 2023

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Auditor's independence declaration to the Members of Finexia Financial Group Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

a) no contraventions of the auditor independence requirements as set out in 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.

MAZARS ASSURANCE PTY LTD

M. J. Green
Director

Brisbane, 25 August 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For The Year Ended 30 June 2023

		Consolidation	
	Note	2023	2022
Continuing Operations		$	$
Revenue			
Rendering of services	3	8,060,077	6,260,915
Gain on sale of investment		293,806	506,523
Interest income		5,716,904	3,549,519
Property rental income		153,909	150,818
Recovery of previously defaulted loan assets		-	38,500
		14,224,696	**10,506,275**
Expenses			
Product commissions		(267,147)	(618,593)
Audit fees		(86,318)	(75,737)
Corporate and professional expenses		(2,133,837)	(1,937,942)
Change in fair value of equity investments at fair value through profit or loss		606,029	(238,918)
Impairment of receivables		(248,990)	-
Depreciation and amortisation	4	(306,921)	(306,687)
Employee expenses		(2,443,980)	(1,342,579)
Interest and finance expenses	4	(5,042,346)	(2,147,951)
Other expenses		(208)	(1,964)
Profit before income tax		**4,300,978**	**3,835,904**
Income tax expense	5	(1,087,259)	(545,462)
Profit after tax for the year		**3,213,719**	**3,290,442**
Total comprehensive profit for the year		**3,213,719**	**3,290,442**
Profit attributable to:			
Owners of the parent		**3,213,719**	**3,290,442**
Earnings Per Share			
Basic and diluted (cents)	17	**8.00**	**9.68**
Basic and diluted (cents) – continuing operations	17	**8.00**	**9.68**

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position
As at 30 June 2023

		Consolidated	
	Note	**2023 ($)**	**2022 ($)**
ASSETS			
Current Assets			
Cash and cash equivalents	6	5,741,581	2,721,187
Trade and other receivables	7	3,124,097	1,525,906
Financial assets	8	40,413,639	4,817,577
Loan assets	9	21,821,461	34,508,405
Prepayments or other assets		110,224	307,577
Total Current Assets		**71,211,002**	**43,880,652**
Non-Current Assets			
Trade and other receivables	7	40,000	40,000
Deferred tax assets	5	11,032	-
Loan Assets	9	3,654,052	-
Intangibles	11	360,500	477,000
Goodwill	11	1,365,039	1,365,039
Property, plant and equipment	12	1,096,871	1,254,292
Total Non-Current Assets		**6,527,494**	**3,136,331**
TOTAL ASSETS		**77,738,496**	**47,016,983**
LIABILITIES			
Current Liabilities			
Trade and other payables	13	856,244	956,593
Employee provisions		162,684	52,189
Leases	10	102,508	135,855
Contract liabilities		699,486	1,159,151
Current tax liabilities		1,153,093	475,205
Loans and borrowings	14	20,589,562	24,584,122
Total Current Liabilities		**23,563,577**	**27,363,115**
Non-Current Liabilities			
Loans and borrowings	14	37,450,000	10,641,032
Leases	10	-	102,508
Deferred tax liabilities	5	-	74,541
Total Non-Current Liabilities		**37,450,000**	**10,818,081**
TOTAL LIABILITIES		**61,013,577**	**38,181,196**
NET ASSETS		**16,724,919**	**8,835,787**
EQUITY			
Issued capital	15	14,648,781	9,973,368
Accumulated losses	16	2,076,138	(1,137,581)
Total equity attributable to equity holders of the Company		**16,724,919**	**8,835,787**
TOTAL EQUITY		**16,724,919**	**8,835,787**

The above Consolidated Statement Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For The Year Ended 30 June 2023

Consolidated	Issued Capital	Accumulated Losses	Total
	$	$	$
Balance at 1 July 2021	9,589,941	(4,428,023)	5,161,918
Profit attributable to members of the parent entity	-	3,290,442	3,290,442
Total comprehensive income for the year, net of tax	-	3,290,442	3,290,442
Transactions with owners of the Company recognised directly in equity	-	-	-
Issue of shares	383,427	-	383,427
Balance as at 30 June 2022	**9,973,368**	**(1,137,581)**	**8,835,787**

Consolidated	Issued Capital	Accumulated Losses	Total
	$	$	$
Balance at 1 July 2022	9,973,368	(1,137,581)	8,835,787
Profit attributable to members of the parent entity	-	3,213,719	3,213,719
Total comprehensive income for the year, net of tax	-	3,213,719	3,213,719
Shares issue cost	12,188	-	12,188
Transactions with owners of the Company recognised directly in equity	-	-	-
Issue of shares	4,663,225	-	4,663,225
Balance as at 30 June 2023	**14,648,781**	**2,076,138**	**16,724,919**

Consolidated Statement of Cash Flows
For The Year Ended 30 June 2023

		Consolidated	
	Note	**2023 ($)**	**2022 ($)**
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		5,816,660	6,409,571
Payments to suppliers and employees		(4,982,620)	(4,422,581)
Distribution received		2,148,635	609,006
Interest income		3,653,749	4,521,847
Interest and other finance costs		(4,760,898)	(2,120,994)
Income tax paid		(494,944)	(380,600)
Net cash (used)/provided in operating activities	26	**1,380,582**	**4,616,249**
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for intangibles		(33,002)	-
Payment for investments		(32,893,460)	(7,586,964)
Loans issued to third parties		(967,107)	(20,389,113)
Loans repayment by third parties		32,947,165	24,487,340
Proceeds from sale of other investments		-	-
Net cash (used)/provided by investing activities		**(946,404)**	**(3,488,737)**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of loan		(2,089,197)	(254,278)
Issue of shares		4,675,413	383,427
Net cash (used)/provided in financing activities		**2,586,216**	**129,149**
Net (decrease)/increase in cash held		**3,020,394**	1,256,661
Cash at beginning of year		**2,721,187**	1,464,526
Net foreign exchange differences		-	-
Cash and cash equivalents at end of year	6	**5,741,581**	**2,721,187**
Cash and cash equivalents held by continuing operations		**5,741,581**	**2,721,187**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

1. Summary of Significant Accounting Policies

General Information and Statement of Compliance

The consolidated general purpose financial statements for Finexia Financial Group Limited (the 'Company') and its subsidiaries (the 'Group') have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'). These financial statements have been prepared on an accruals basis on historical cost convention, except for the following items in the Consolidated Statement of Financial Position:

- Financial Investments – Equity based financial assets measured at fair value through profit or loss are measured at fair value.

Finexia Financial Group Limited is a for-profit entity for the purpose of preparing the financial statements. Finexia Financial Group is a specialist private credit provider focused on delivering enhanced income returns for clients through its core financing activities.

Finexia Financial Group Limited is the Group's Ultimate Parent Company, and is a Public Company incorporated and domiciled in Australia.

Functional and Presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company's functional currency.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a degree of judgement or complexity, or areas where assumptions and estimates have been made in the preparation of the financial statements are disclosed in Note 2.

Summary Accounting Policies

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

a. Basis of Consolidation

The Group financial statements consolidate those of the Company and all of its subsidiaries as of 30 June 2023. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

b. Business combination

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values.

Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of: (a) fair value of consideration transferred, (b) the recognised amount of any non-controlling interest in the acquiree, and (c) acquisition-date fair value of any existing equity interest in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognised in profit or loss immediately.

c. Operating Segments

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker(s) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

d. Revenue recognition

The Group recognises revenue based on the assessment and allocation of transaction prices to performance obligations and the satisfaction of those performance obligations Revenue is recognised for the major business activities as follows:

i. Rendering of services
   Revenue arising from brokerage, commissions, fee income and corporate finance transactions are recognised by the Group on an accruals basis as and when performance obligations have been satisfied, which is usually the trade date of the transaction. Provision is made for uncollectible debts arising from such services.
ii. Interest income
   Interest income is recognised on a time proportion basis using the effective interest rate method. When a receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.
iii. Dividend income
   Dividends are bought to account as revenue when the right to receive the payment is established..
iv. Education and administration income
   Revenue arising from education agreements and administration services are recognised by the Group on an accruals basis as and when services have been provided, which is deemed to be the trade date of the transaction. Provision is made for uncollectible debts arising from such services.

e. Income tax

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

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 financial statements. However, the deferred income tax is 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 reporting date 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 for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and the tax base of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when 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 realize the asset and settle the liability simultaneously. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

Tax consolidation legislation
Finexia Financial Group Limited and its wholly-owned Australian subsidiaries have implemented the tax consolidation legislation.
The head entity, Finexia Financial Group Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.
In addition to its own current and deferred tax amounts, Finexia Financial Group Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.
The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate Finexia Financial Group Limited for any current tax payable assumed and are compensated by Finexia Financial Group Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Finexia Financial Group Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

f. Leases

At inception of a contract, the Group considers the contract for existence of a lease arrangement, being a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. In the event that the contract is considered to constitute a lease agreement the following accounting is applied:

Right of Use Assets
At the lease commencement, the Group recognised a right-of-use asset and associated lease liability for the lease term, including any extension periods where the Group considers it is reasonably certain that the option will be exercised. The right-of-use asset is measured using the cost model where cost on initial recognition comprises the lease liability, initial directors, prepaid lease payments, estimated cost of removal and restoration, less any lease incentives received. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Lease Liabilities
The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined

then the Group's incremental borrowing rate is used. Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g., CPI) or a change in the Group's assessment of the lease term. Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the measurement of is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

g. 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 reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell 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 each reporting date.

h. Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents include 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 on the statement of financial position.

i. Trade receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired.

The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the expected credit loss is recognised in profit or loss within other expenses. When a trade receivable for which an expected credit loss allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

j. Property, plant and equipment

Properties, office, IT and other equipment (comprising fittings and furniture) are initially recognised at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the Group's management.

Properties, office, IT other equipment are subsequently measured using the cost model, less subsequent depreciation and impairment losses.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of properties, office, IT and other equipment. The following useful lives are applied:

- Properties: 25-50 years
- Other equipment: 3-12 years
- Office and IT equipment: 2-5 years

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss within other income or other expenses.

k. Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortised cost:
- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):
- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

i. Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI.

For financial assets interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.
Interest income is recognised in profit or loss and is included in the "interest income" line item.

ii. Financial assets at FVTPL
On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables and contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The Group always recognises lifetime expected credit losses (ECL) for trade receivables, contract assets and lease receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when:

The borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
The financial asset is more than 90 days past due.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL. Financial liabilities at FVTPL
Financial liabilities are classified as at FVTPL when the financial liability is i. contingent consideration of an acquirer in a business combination, ii. held for trading or iii. it is designated as at FVTPL.

A financial liability is classified as held for trading if:
- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:
- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

  Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on changes in fair value recognised in profit or loss.

  Financial liabilities measured subsequently at amortised cost

  Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for- trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.
  The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

l. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

m. Contributed equity

Ordinary shares are classified as equity.

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

If the entity reacquires its own equity instruments, e.g. as the result of a share buy-back, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in profit or loss and the consideration paid including any directly attributable incremental costs (net of income taxes) is recognised directly in equity.

n. Earnings per share

i. Basic earnings per share
Basic earnings per share is calculated by dividing the loss attributable to equity holders 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.
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 shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

o. 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 balance sheet.

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.

p. Intangible assets

Recognition of intangible assets

Financial markets trading rights and licenses are capitalised on the basis of the costs incurred to acquire. These licences have an indefinite life and as such and not amortised but are subject to annual impairment testing.

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

q. Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognised in profit or loss.

r. Assets held for sale and discontinued operations

Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is a subsidiary acquired exclusively with a view to re-sale or;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held-for-sale, if earlier.

When an operation is classified as a discontinued operation, the comparative Consolidated Statement of Profit or Loss and Other Comprehensive Income is re-presented as if the operation had been discontinued from the start of the comparative year.

s. Short-term and other long term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

t. New Accounting Standards for Application in Future Periods

The Company has adopted all standards which became effective for the first time at 30 June 2023. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

u. New and revised Accounting Standards in Issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective:

AASB 17 Insurance Contracts

AASB 2014-10 (amendments) - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

AASB 2020-1 and AASB 2020-6 (amendments) - Classification of Liabilities as Current or Non-current

AASB 2021-2 (amendments) – Disclosure of accounting policies and definition of accounting estimates

AASB 2021-5 (amendments) – Deferred tax related to assets and liabilities arising from a single transaction

AASB 2022-1 (amendments) – Initial application of AASB17 and AASB 9 – Comparative information

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods.

2. **Critical accounting judgements, estimates and assumptions**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

i. Intangible assets

The fair value of customer relationships acquired in a business combination is based on the multi-period excess earnings method whereby the subject asset is valued after deducting a fair return on all other assets that are part of creating the related cash flows.

ii. Estimated impairment of goodwill
The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of all cash generating units have been determines based on value-in-use calculations reported in continuing operations. In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Further information is included in note 11.

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

iv. Classification of borrowings
The Group has entered into borrowing agreements for the provision of funding facilities. The borrowing facilities are documented in borrowing facility agreements, the interpretation of which is key to the classification of borrowings as either current or non-current. The Group has exercised judgement in the interpretation of the terms and conditions of the borrowing facility agreements in determining the classification of debt as current or non-current.

v. Financial assets valuation and recoverability
The loan assets are reviewed for impairment on a monthly basis. The security value against the loan provided are within the acceptable LVR as determined in the Company credit policy.

Loan default result in an impairment of the loan assets and recovery mechanism against the security is pursued through the Company's legal means and rights.

3. Rendering Services Income

The group derives the following types of services income:

	Continuing operation		Total	
	2023 ($)	**2022 ($)**	**2023 ($)**	**2022 ($)**
Advisory and corporate fees				
Trading commissions	2,257,854	3,716,004	2,257,854	3,716,004
Corporate transaction fees	1,442,247	617,415	1,442,247	617,415
Education and administration services	75,332	133,772	75,332	133,772
Private credit				
Trail and upfront income	635,114	904,718	635,114	904,718
Establishment fees	1,169,614	280,000	1,169,614	280,000
Distribution and interest income	2,479,916	609,006	2,479,916	609,006
	8,060,077	**6,260,915**	**8,060,077**	**6,260,915**

4. Expenses

Profit/(Loss) before income tax includes the following specific expenses:

	Consolidated	
	2023 ($)	**2022 ($)**
Depreciation and Amortisation		
Depreciation – Property, plant and equipment	28,071	27,837
Amortisation – Right of use assets	129,350	129,350
Amortisation – Intangible assets	149,500	149,500
	306,921	**306,687**
Finance Cost		
Interest and finance expenses	380,577	207,781
Interest – Leases	17,819	30,243
Interest – Mortgage loans	4,643,950	1,909,927
	5,042,346	**2,147,951**

5. Income Tax

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Group at 25% (2021: 26%) and the reported tax expense in profit or loss are as follows:

	Consolidated	
	2023	2022
	$	$
(a) Tax expense comprises:		
Current income tax:		
Current income tax charge	**1,160,644**	470,921
Deferred tax		
Deferred income tax relating to origination and reversal of temporary differences:	(73,385)	74,541
Income tax expense reported in the statement of profit or loss	**1,087,259**	**545,462**
(b) Accounting profit/(loss) before tax	**4,300,978**	3,835,904
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2022 – 25%)	**1,075,245**	958,976
Non-deductible expenditure/non-assessable income	**179**	-
Movement in unrecognized deferred tax balances due to change in tax rate	-	2,897
Deferred tax not recognised	-	-
Tax losses recognised that were previously unrecognised	-	(535,079)
Deferred tax balances recognised that were previously unrecognised	-	128,137
Prior period under/over provision	**11,835**	(9,469)
Income tax (benefit)/expense	**1,087,259**	**545,462**
(c) Recognised Deferred Tax Balances		
Deferred tax asset	**92,907**	44,709
Deferred tax liability	**(81,875)**	(119,250)
	11,032	**(74,541)**
(d) Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Unrecognised deferred tax asset - losses		-
Unrecognised deferred tax asset/(liabilities) - other		-
	-	-

(e) Deferred Tax assets and liabilities

Deferred taxes arising from temporary differences and unused tax losses can be summarised as follows:

2023	Opening Balance ($)	Recognized in Profit or Loss ($)	Recognised in Equity ($)	Prior period unrecognised deferred tax brought into account ($)	Closing balance ($)
Consolidated Group					
Deferred Tax liability					
Intangible Assets	(119,250)	37,375	-	-	(81,875)
Unrecognised DTL's – not brought to account	-	-	-	-	-
	(119,250)	37,375	-	-	(81,875)
Deferred Tax assets					
Trade & other receivables	-	-	-	-	-
Accruals and provisions	32,443	37,950	-	-	70,393
Other – Blackhole (Capital raising cost through equity)	-	-	12,188	-	12,188
Other – Blackhole	-	6,258			6,258
Right of use assets and lease liabilities	5,694	(1,626)	-	-	4,068
Unused tax losses	6,572	(6,572)	-	-	-
Unrecognised deferred tax assets – not brought to account	-	-	-	-	-
	44,709	36,010	12,188	-	92,907
Net DTA/(DTL)					**11,032**

2022	Opening Balance ($)	Recognized in Profit or Loss ($)	Prior period under/over ($)	Prior period unrecognized deferred tax brought into account ($)	Closing balance ($)
Consolidated Group					
Deferred Tax liability					
Intangible Assets	(156,625)	37,375	-	-	(119,250)
Unrecognised DTL's – not brought to account	156,625	-	-	(156,625)	-
	-	**37,375**	**-**	**(156,625)**	**(119,250)**
Deferred Tax assets					
Trade & other receivables	-	-	-	-	-
Accruals and provisions	7,334	6,010	19,099	-	32,443
Capital raising costs	-	-	-	-	-
Right of use assets and lease liabilities	2,055	3,639	-	-	5,694
Unused tax losses	570,218	(535,079)	(28,567)	-	6,572
Unrecognised deferred tax assets – not brought to account	(579,607)	-	-	579,607	-
	-	**(525,430)**	**(9,468)**	**579,607**	**44,709**
Net DTA/(DTL)					**(74,541)**

6. Cash and Cash Equivalents

	Consolidated	
	2023	**2022**
	$	$
Cash at Bank (i)	5,741,581	2,721,187
Total cash and cash equivalents	**5,741,581**	**2,721,187**
(i) Reconciliation to cash and cash equivalents at the end of the financial year:		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows		
Balances as above	**5,741,581**	**2,721,187**
Balances per statement of cash flows	**5,741,581**	**2,721,187**

7. Trade and Other Receivables

	Consolidated	
	2023	**2022**
	$	$
Current		
Trade receivables (i)	2,653,589	1,327,854
Contract assets (accrued income)	139,956	42,650
Other	330,552	155,402
	3,124,097	**1,525,906**
Non-current		
Deposits	40,000	40,000
	40,000	**40,000**

i. Classification as trade and other receivables
Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

ii. Fair values of trade and other receivables
Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

iii. Impairment and risk exposure
All of the Group's receivables have been reviewed for indicators of impairment. Information about the impairment of receivables, their credit quality and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 18.

8. Financial Assets

Financial assets are classified at fair value through profit or loss as are all equity instruments held for trading. The investments comprised primarily of listed companies on the ASX and Malaysian Stock Exchange.

	CONSOLIDATED	
	2023	**2022**
	$	$
Current		
Financial assets at fair value through profit or loss (level 1)		
ASX Listed equity securities *(i) (ii)*	250,802	338,225
Listed equity securities portfolio *(i) (ii)*	1,724,275	2,688,258
	1,975,077	**3,026,483**
Financial assets held at cost		
Investment in unlisted companies *(iii)*	80,100	100
Investment in Crypto Collective Fund *(iv)*	-	19,858
Investment in The Stay Company Income Fund *(v)*	22,285,619	1,771,136
Investment in Childcare Income Fund (v)	16,055,666	-
Others	17,176	-
	38,438,562	**1,791,094**
	40,413,639	**4,817,577**

i. Classification of financial assets at fair value through profit or loss
The Group classifies equity based financial assets at fair value through profit or loss if they are acquired principally for trading (i.e. selling in short-term). They are presented as current assets as they can be easily converted into cash in less than 12 months.

ii. Amounts recognised in profit or loss
Changes in the fair values of financial assets at fair value has been recorded through the profit or loss, and represent a gain of $606,029 for the year (2022: loss of $238,918).

iii. Investment in unlisted entity
The Group holds investments in unlisted companies. Investments are recorded at fair value less impairment.

iv. Investment in Finexia Crypto Collective Fund
The Group holds direct investment in Finexia Crypto Collective Fund. The retail fund was launched on 27 May 2022 and is an investment that aims to provide investors with the potential to benefit from the growth of a basket of Cryptocurrencies using a proprietary methodology. The investment has been redeemed and Finexia Crypto Collective Fund ceased operations in the financial year ended 30 June 2023.

v. Investment in The Stay Company Income Fund & Investment in Childcare Income Fund
Please refer to Note 25 – Related party transactions.

9. Loan Assets

	Consolidated	
	2023 ($)	2022 ($)
Current assets		
Mortgage assets – unsecured [(1)]	20,877,758	24,312,202
Loan: Dragonfly Biosciences Ltd - unsecured [(2)]	803,613	196,203
Loan – Joe Holdings (M) Investment Limited - secured	-	10,000,000
Loan – Rigs Recovery Pty Ltd – secured [(3)]	140,090	-
	21,821,461	**34,508,405**
Non-current assets		
Mortgage assets - unsecured [(1)]	3,654,052	-
	25,475,513	**34,508,405**

(1) The Group provides finance solutions to various enterprises. The loan liabilities are matched against the loan assets. The Group receives various fees on establishment and a net interest margin. The interest rates are between 4% to 20% and the loans terms are between 12 to 24 months. Generally, the Group takes security, such as in the form of registered mortgages and security interest over assets to support the loan assets.
(2)Finexia Securities Ltd has provided a secured loan facility to a third party, Dragonfly Biosciences Ltd over a term of 6 months, at an interest rate of 10% per annum. The loan is secured by the assets of the borrowing entity.
(3) Finexia Securities Ltd has provided a secured loan facility to a third party, Rigs Recovery Pty Ltd over a term of 12 months, at an interest rate of 15% per annum. The loan is secured by personal guarantees, general and registered security interest.

10. Leases

(i) Amounts recognised in the balance sheet

	Consolidated	
	2023 ($)	2022 ($)
Right-of-use assets*		
Lease - office rental	86,235	215,585
	86,235	**215,585**
*included in the line item "Property, plant and equipment" in the statement of financial position.		
Lease Liabilities		
Current	102,508	135,855
Non-current	-	102,508
	102,508	**238,363**
Depreciation charge of right-of-use assets		
Lease – rental premises	129,350	129,350
	129,350	**129,350**
Interest expense for leases		
Interest expense	17,819	30,243
	17,819	**30,243**

The total cash outflow for leases for the period was $135,855 (2022 - $145,036).

(ii) The Group's leasing activities and how these are accounted for:
The Group leases an office in Sydney. The lease term will expire in February 2024 with an option to renew.
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.

Payments associated with short-term leases and 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 other small items.

11. Intangible assets and goodwill

A. Reconciliation of carrying amount

2023	Goodwill ($)	Customer list ($)	Trail book ($)	AFSL ($)	Total ($)
Balance at 1 July 2022	1,365,039	57,000	420,000	-	1,842,039
Acquisition through business combinations	-	-	-	33,000	33,000
Amortisation	-	(9,500)	(140,000)	-	(149,500)
Impairment loss	-	-	-	-	-
Balance at 30 June 2023	**1,365,039**	**47,500**	**280,000**	**33,000**	**1,725,539**
2022	**Goodwill ($)**	**Customer list ($)**	**Trail book ($)**	**AFSL ($)**	**Total ($)**
Balance at 1 July 2021	1,365,039	66,500	560,000	-	1,991,539
Acquisition through business combinations	-	-	-	-	-
Amortisation	-	(9,500)	(140,000)	-	(149,500)
Impairment loss	-	-	-	-	-
Balance at 30 June 2022	**1,365,039**	**57,000**	**420,000**	**-**	**1,842,039**

B. Amortisation

The amortisation of the customer list is over 10 years and is allocated to profit or loss.

Useful life	Based on an assessment of the history of customer relationships. Brokerage commissions and SMSF administration fees have historically been derived from recurring customers, which was noted is in a consistent customer base. Management has determined an average customer life of 10 years as reasonable for the valuation of customer relationships.

C. Impairment test

Impairment testing for Cash Generating Unit (CGU) containing goodwill for Finexia Plus (previously known as Smart Money Company)

For the purposes of impairment testing, goodwill has been allocated to Finexia Plus
The recoverable amount of this CGU was based on value in use, estimated using discounted cash flows.
The key assumptions used in the estimation of the recoverable amount are set below.
The values assigned to the key assumptions have been taken from an independent report.

- Discounted rate:12%
- Terminal value growth rate: Nil

The discounted rate was a pre-tax measure estimated based on the weighted-average cost of capital. The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on the expert valuation of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.The key assumptions used in the cash flow forecast that are sensitive are as follows:

Valuation variable	Assumption
Future revenue	Actual revenue based on the 2023 financial year.
EBIT Margin	Normalised EBIT margin of 16% based on an assessment of the average normalised EBIT margin for FY23. Although the SMSF administration and brokerage revenues were accounted for in separate legal entities, the costs of the operations were not accounted for separately. As such, we have assessed the future cash flows from these customer relationships at a combined Group level.
Discount Rate	At acquisition date, a discount rate range of 15.0% to 20.0% as appropriate for the valuation of customer relationships. A discount rate of 12.0% has been assumed.

Sensitivity analysis

The below table shows the amount that these two assumptions are required to change individually in order for the estimated recoverable amount to be equal to the carrying amount.

Change required for carrying amount to equal the recoverable amount		
	2023	**2022**
Pre-tax discount rate	25.5%	51.0%
Budgeted EBIT margin	20.0%	15.0%

Impairment testing for Cash Generating Unit (CGU) containing goodwill for Creative Capital Group (CCG)

For the purposes of impairment testing, goodwill has been allocated to CCG.

The recoverable amount of this CGU was based on value in use, estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set below.

The values assigned to the key assumptions have been taken from an independent report.

- Discounted rate 15%
- Terminal value growth rate 2%

The discounted rate was a pre-tax measure estimated based on the weighted-average cost of capital. The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on the expert valuation of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.

The key assumptions used in the cash flow forecast that are sensitive and are as follows:

Valuation variable	Assumption
Future revenue	Actual revenues based on the 2023 financial year.
EBIT Margin	Normalised EBIT margin of 40% based on an assessment of the average normalised EBIT margin for FY23.
Discount Rate	At acquisition date, a discount rate range of 15.0% to 20.0% as appropriate for the valuation of customer relationships. A discount rate of 15.0% has been assumed.

Sensitivity analysis

The below table shows the amount that these two assumptions are required to change individually in order for the estimated recoverable amount to be equal to the carrying amount.

Change required for carrying amount to equal the recoverable amount		
	2023	**2022**
Pre-tax discount rate	**124.0%**	**186.0%**
Budgeted EBIT margin	**4.0%**	**0.4%**

12. Property, Plant & Equipment

In the prior years, the Group acquired a property at 19/33 Elkhorn Avenue, Surfers Paradise, Queensland for a purchase price, inclusive of acquisition costs of $1,127,160. The building will be depreciated over a period of 40 years and now serves as the corporate head office for the Group.

	Consolidated	
	2023 ($)	**2022 ($)**
Land and buildings		
At cost	1,139,590	1,139,590
Less accumulated depreciation	(128,954)	(100,883)
	1,010,636	**1,038,707**
Plant and equipment		
At cost	-	13,646
Less accumulated depreciation	-	(13,646)
	-	**-**
Right of use asset		
At cost	388,052	388,052
Less accumulated depreciation	(301,817)	(172,467)
	86,235	**215,585**
	1,096,871	**1,254,292**

The Group intends to sub-let a portion of the office space to earn rental income, however as this is not able to be sold or leased out separately as a finance lease it has not been classified as an investment property.

The property is also held as security against the loan and borrowings of $787,027 (2022 - $787,027).

	Land and Buildings	Plant and Equipment	Right of use assets	Total
	$	$	$	$
Balance at 1 July 2022	**1,038,707**	**-**	**215,585**	**1,254,292**
Additions	-	-	-	-
Depreciation	(28,071)	-	(129,350)	(157,421)
Less: Right of use asset adjustment	-	-	-	-
Balance at 30 June 2023	**1,010,636**	**-**	**86,235**	**1,096,871**

	Land and Buildings	Plant and Equipment	Right of use assets	Total
	$	$	$	$
Balance at 1 July 2021	**1,066,208**	**337**	**344,935**	**1,411,480**
Additions	-	-	-	-
Depreciation	(27,501)	(337)	(129,350)	(157,188)
Less: Right of use asset adjustment	-	-	-	-
Balance at 30 June 2022	**1,038,707**	**-**	**215,585**	**1,254,292**

13. Trade and Other Payables	Consolidated	
	2023	2022
	$	$
Trade payables (i) (ii)	344,767	399,714
Deferred consideration from Creative acquisition	-	260,807
Other payables and accruals	511,477	296,072
	856,244	**956,593**

Trade payables are unsecured and are usually paid within 30 days of recognition.
The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

14. Loans and Borrowings	Consolidation	
	2023	2022
	$	$
Current liabilities		
Unsecured loans from third parties (1)	-	45,000
Unsecured loans from banking institutions(2)	-	45,686
Unsecured loans – Cash deposit agreement(3)	-	10,000,000
Secured loans – mortgages (5)	20,589,562	14,493,436
	20,589,562	**24,584,122**
Non-current liabilities		
Unsecured loans from banking institutions (2)	-	42,071
Bank Guarantee	100,000	100,000
Secured loans – property (4)	-	-
Secured loans – mortgages (5)	37,350,000	10,498,961
	37,450,000	**10,641,032**

(1) The unsecured loans are from third parties and were consolidated with the Group on acquisition of Finexia Plus in June 2018. The loan has been paid in full in August 2022.

(2) On 18 June 2020, the Company obtained a loan from National Australia Bank for $200,000. The loan is unsecured for a term for three years at 4.50%.

(3) Cash deposit loan agreements have been entered with clients for the purpose of investing. The cash deposit agreement is between Finexia Securities Ltd and its clients. The loan is on call and has an interest rate of a minimum of 40 basis points above the RBA cash rate, is unsecured and the returns are not guaranteed.

(4) On 12 November 2018, the purchase of the commercial property was financed with an initial secured loan of $1,000,000. The loan incurred an interest rate at 10% per annum and was for a 6-month term, expiring in April 2019. On 1 July 2019, the Group extended the loan over a two-year term. The loan has been further extended to 30 September 2024.

(5) Creative Capital Group provides finance solutions to various enterprises. The loan liabilities are matched against the loan assets. Creative Capital receives various fees on establishment and a net margin income. The interest rates are between 8% to 20% and the loans terms are between 12 to 24 months. Generally, mortgage assets are pledged as collateral for loan liabilities.

15. Issued Capital	Consolidated			
	2023		2022	
	No. of shares.	$	No. of shares.	$
(a) Ordinary shares fully paid	**47,965,577**	**14,651,829**	162,107,105	9,973,368
(b) Movement in ordinary shares on issue				
Opening balance	162,107,105	9,973,368	153,586,517	9,589,941
Add: Issue of shares	-	-	8,520,588	383,427
Share issue cost	-	12,188	-	-
Share consolidation (1)	(129,685,611)	-	-	-
Right issues (2)	15,544,083	4,663,225	-	-
	47,965,577	**14,648,781**	**162,107,105**	**9,973,368**

(1) On 21 November 2022, the shareholders approved the resolution to consolidate the issued share capital of the Company at the ration of 1 share to every 5 shares currently held.
(2) On 03 January 2023, the Company announced right issues of 1 new share for every 2 outstanding shares.

(c) Fully Paid Ordinary Shares
Fully Paid Ordinary Shares - participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At a shareholder meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

(d) Shares under Option
There are no shares under option.

16. Reserves and Accumulated Losses	Consolidated	
	2023	2022
	$	$
Accumulated Losses		
Accumulated losses at the beginning of the financial year	(1,137,581)	(4,428,023)
Net profit/(loss) after tax attributable to members of the Company	3,213,719	3,290,442
Accumulated losses at the end of the financial year	**2,076,138**	**(1,137,581)**

17. Earnings/(Loss) Per Share

The calculation of basic and diluted earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

	30-Jun-23			30-Jun-22		
	Continuing Operations	Discontinued Operation	Total	Continuing Operations	Discontinued Operation	Total
	$	$	$	$	$	$
Profit/(Loss) for the year	**3,213,719**	-	**3,213,719**	3,290,442	-	3,290,442

Weighted average number of shares used as the denominator (adjusted for the effect of the share consolidation and bonus element of the rights issue during the period).	2023	2022
	Number	Number
	40,154,264	33,991,896

18. Franking account balance

The amount of franking credits available for the subsequent financial year are:

	2023 ($)	2022 ($)
Franking account balance as at the end of the financial year at 25% (2022: 25%)	**482,756**	-
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	**1,148,809**	482,756
Franking debits that will arise from the payment of dividends as at the end of the financial year	**(319,771)**	-
Franking credits that will arise form the receipt of dividends recognized as receivables at the reporting date	**-**	-
	1,311,794	**482,756**

19. Financial Risk Management

The Group's activities are or have been exposed to a variety of financial risk – market risk, credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Given the current size and scale of activities, risk management is overseen by the Board of Directors as a whole.

The Group does not actively engage in the trading of financial assets for speculative purposes, nor does it write options. The most significant financial risks to which the Group is exposed are described below.

(a) Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency sensitivity

Most of the Group's transactions are carried out in $AUD. Exposures to currency exchange rates arise from transactions specific to overseas activities and are primarily denominated in US-Dollars ($USD). The Group ensures its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary for transaction specific cash-flows.

The following illustrates the sensitivity of profit and equity in regard to the Group's financial assets and financial liabilities and the $USD/$AUD exchange rate 'all other things being equal'.

It assumes a +/- 10% change for the $AUD/$USD exchange rate. The sensitivity analysis is based on the Group's foreign currency financial instruments held at the reporting date.

Interest rate sensitivity

At 30 June 2023, the Group is exposed to changes in market interest rates of money market funds (cash and cash equivalents). The weighted average interest rates received cash and cash equivalents was 0.00% (2022: 0.00%).

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1%. These changes are considered to be reasonably possible based on observation of current market conditions.

The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates (all are variable rate instruments). All other variables are held constant.

Consolidated

	Profit/(Loss) for the year		Increase/(decrease) in Equity Reserves	
	1%	**-1%**	**1%**	**-1%**
	$	$	$	$
Cash and cash equivalents				
30-Jun-23	**57,416**	**(57,416)**	**-**	**-**
30-Jun-22	27,212	(27,212)	-	-

Other price risk sensitivity

The Group is exposed to other price risk in respect of its listed equity securities, which are classified as financial assets at fair value through profit or loss.

All of the Group's listed equity investments are listed on the Australian Stock Exchange and/or the Malaysian Stock Exchange. The following table illustrates the sensitivity of profit or loss and equity to a reasonably possible change in the valuation of the listed, derivative and managed funds investment portfolio of +/- 5%.

Consolidated				
	Profit/(Loss)		Increase/(decrease)	
	for the year		in Equity Reserves	
	1%	-1%	1%	-1%
	$	$	$	$
Cash and cash equivalents				
30-Jun-23	**57,416**	**(57,416)**	**-**	**-**
30-Jun-22	27,212	(27,212)	-	-

Consolidated				
	Profit/(Loss)		Increase/(decrease)	
	for the year		in Equity Reserves	
	5%	-5%	5%	-5%
	$	$	$	$
Financial Assets				
30-Jun-23	**2,020,682**	**(2,020,682)**	**-**	**-**
30-Jun-22	544,038	(544,038)	-	-

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises in the normal course of conducting its business operations.

Management has a process in place to monitor its exposure to credit risk on an ongoing basis, with respect to selecting where to invest the Group's assets and, where applicable, that assessment takes into consideration market weightings, index membership, liquidity, volatility, dividend yield and/or industry sector.

The aging of trade and other receivables at the reporting date that were not impaired was as follows:

The Group is exposed to this risk for various financial instruments and its maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2023 ($)	2022 ($)
Classes of financial assets		
Cash and cash equivalents	5,741,581	2,721,187
Trade and other receivables	3,124,097	1,525,906
Mortgage assets	24,531,810	24,312,202
Other loan assets	943,704	10,196,203
	34,641,192	**38,755,498**

	2023 ($)	2022 ($)
Neither past due nor impaired	2,031,607	736,921
Past due 1–30 days	11,056	1,650
Past due 31–90 days	19,186	6,044
Past due 91–120 days	752,094	624,053
	2,813,943	**1,368,668**

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by group and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group's management considers that all of the above financial assets that are not impaired are of good credit quality.

In respect of these trade receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:	2023	2022
	$	$
Balance at 1 July	-	-
Impairment loss recognized	248,990	-
Reversal of impairment loss	-	-
Amounts written off	**248,990**	-

The credit risk for cash and cash equivalents are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

(c) Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages its liquidity needs by monitoring fund investments and redemptions, scheduled debt servicing payments for long-term financial liabilities (if any) as well as forecast cash inflows and outflows due in day-to-day business. Liquidity needs are monitored on a periodical basis on a month to month and annual outlook basis.

The Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised in the table below:

	2023		2022	
	Current	**Non-current**	**Current**	**Non-current**
	Within 12 months	**1 – 3 years**	**Within 12 months**	**1 – 3 years**
	$	$	$	$
Trade and other payables	856,244	-	956,593	-
Contract liabilities	699,486	-	1,159,151	-
Loan and borrowings	20,589,562	37,450,000	30,647,296	10,641,032
Leases	102,508	-	135,855	102,508
	22,247,800	**37,450,000**	**32,898,895**	**10,743,540**

(d) Capital Management

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern; and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group monitors and assesses the Group's capital requirements in order to maintain an efficient overall financing structure. The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may as part of its strategy adjust its dividend policy (if and when applicable), return capital to shareholders, issue new shares, and/or sell assets to reduce debt.

20. Fair value Measurement

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three (3) levels of a fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- **Level 3:** unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying value is a reasonable approximation of fair value.

	Level 1 (i)	Level 2	Level 3	Total
2023	$	$	$	$
Classes of financial assets				
Listed equities	250,802	-	-	**250,802**
International listed equities portfolio	1,724,275	-	-	**1,724,275**
Finexia Direct Accommodation Income Fund	-	22,285,619	-	**22,285,619**
Finexia Childcare Income Fund	-	16,055,666	-	**16,055,666**
Investment in unlisted entities	-	-	97,276	**97,276**
	1,975,077	**38,341,285**	**97,276**	**40,413,638**

	Level 1 (i)	Level 2	Level 3	Total
2022	$	$	$	$
Classes of financial assets				
Listed equities	338,225	-	-	338,225
International listed equities portfolio	2,688,258	-	-	2,688,258
Finexia Direct Accommodation Income Fund	-	1,771,136	-	1,771,136
Investment in unlisted entities	-	-	19,958	19,958
	3,026,483	**1,771,136**	**19,958**	**4,817,577**

The fair value of level 1 financial instruments traded in active markets (such as publicly traded equities) is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group is the last closing price or unit (acquisition) strike price.

The fair value movement for the year is a net fair value gain of $606,029 (2022: loss of $238,918).

i. The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.
ii. There have been no transfers between the levels of the fair value hierarchy during the twelve (12) months to 30 June 2023.

21. Segment Information

The directors have considered the requirements of AASB 8 – *Operating Segments* and the internal reports that are reviewed by the chief operating decision maker in allocating resources and have concluded that the Group operated in the financial services industry.

The following summary describes the operations in each of the Group's reportable segments:

- Private credit.
- Funds and Asset Managment
- Stockbroking and Corporate Advisory

	Stockbroking and Corporate Advisory		Funds and Asset Management		Private Credit		Unallocated		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
	$	$	$	$	$	$	$	$	$	$
External revenue	**5,416,514**	5,171,980	**764,096**	464,766	**7,686,331**	4,740,469	**357,755**	129,061	**14,224,696**	10,506,276
Other revenue	**-**	-	**-**	-	**-**	-	**-**	-	**-**	-
Rental income	**-**	-	**-**	-	**-**	-	**153,909**	150,818	**153,909**	150,818
Other income	**-**	-	**-**	-	**-**	-	**203,846**	(21,757)	**203,846**	(21,757)
Other non-cash movements										
Change in fair value of investments	**606,029**	(238,918)	**-**	-	**-**	-	**-**	-	**606,029**	(238,918)
Segment profit/(loss) before income tax	**2,702,357**	2,407,743	**764,096**	464,766	**1,986,165**	1,992,186	**(2,238,899)**	(1,574,252)	**3,213,719**	3,290,442
Reportable segment assets	**7,331,566**	16,360,048	**6,428,710**	6,334,310	**68,630,878**	29,578,055	**(4,652,658)**	(5,255,430)	**77,738,496**	47,016,983
Reportable segment liabilities	**1,514,570**	16,269,226	**-**	-	**64,982,983**	27,070,429	**(5,487,022)**	(5,158,459)	**61,013,577**	38,181,196

Reconciliations of reportable segment revenues and profit or loss		
	2023	**2022**
	$	$
Revenues		
Total revenue for reportable segments	**13,866,941**	10,377,215
Unallocated revenues	**357,755**	129,060
Consolidated revenue	**14,224,696**	**10,506,275**
Profit/(Loss)		
Total profit/(loss) for reportable segments	**5,452,618**	4,864,695
Unallocated amounts:		
Other revenue	**357,755**	129,060
Depreciation	**(306,921)**	(306,687)
Finance expenses	**(29,668)**	(49,240)
Net other corporate expenses	**(1,172,806)**	(801,924)
Income tax expense	**(1,087,259)**	(545,462)
Consolidated profit/(loss) after tax	**3,213,719**	**3,290,442**
Assets		
Total assets for reportable segments	**82,391,154**	52,272,413
Unallocated assets and eliminated	**(4,652,658)**	(5,255,430)
Consolidated total assets	**77,738,496**	**47,016,983**
Liabilities		
Total liabilities for reportable segments	**66,497,552**	43,339,655
Unallocated liabilities	**(5,483,975)**	(5,158,459)
Consolidated total liabilities	**61,013,577**	**38,181,196**

22. Remuneration of Auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	2023	**2022**
	$	$
(a) Audit services		
Mazars Assurance Pty Ltd		
- Audit and review of financial reports	**122,550**	75,738
(b) Non-audit services		
- Tax compliance services	**-**	**-**
- Other services	**-**	**-**

23. Commitments & Contingencies

(a) Capital commitments

There are no capital commitments as at 30 June 2023 (2022: Nil).

(b) Contingencies

There are no contingent liabilities as at 30 June 2023 (2022: Nil).

24. Key Management Personnel Remuneration

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid to each member of the Group's key management personnel for the year ended 30 June 2023.

The totals of remuneration paid to key management personnel of the Group during the year are as follows:

	2023	2022
	$	$
Short-term employee benefits	840,787	693,841
Post-employment benefits	73,138	50,147
	913,925	**743,988**

25. Related Party Transactions

(a) The Group's main related parties are as follows:

- Lucas And Co.
- Stayco P2 Pty Ltd
- Stayco P3 Pty Ltd
- The Stay Company Income Fund
- Finexia Childcare Income Fund
- TR BB Pty Ltd

(b)Transactions with related parties

	Purchase		Sales		Owed by the Group		Owed to the Group	
	2023	2022	2023	2022	2023	2022	2023	2022
	$	$	$	$	$	$	$	$
Associates								
Lucas and co	245,224	279,030	-	-	14,828	19,118	-	-
Stayco P2 Pty Ltd	-	-	1,783,174	-	-	-	100,000	-
The Stay Company Income Fund	1,627	-	2,792,049	1,738,570	-	-	385,991	91,425
Stayco P3 Pty Ltd	-	-	103,920	8,235	-	-	113,020	3,774
Finexia Childcare Income Fund	-	-	645,378	-	-	-	329,900	-
TR BB PTY LTD	105,500	-	-	-	-	-	-	-
Total	**352,351**	**279,030**	**5,324,521**	**1,746,805**	**14,828**	**19,118**	**928,911**	**95,199**

(c)Loan to/from related parties

	Opening Balance ($)	Closing balance ($)	Interest not charged ($)	Interest paid/payable ($)	Impairment ($)
Loan from TR BB PTY LTD	-	890,000	$ -	$ 105,500	$ -

(d) Investment In Related Parties

The Group holds direct investment in The Stay Company Income Fund. The wholesale fund was launched on 9 August 2021 and is an investment that aims to offer to sophisticated investors direct exposure to a portfolio of accommodation businesses located in key Queensland markets. The fund has been returning to investors between 8 to 12% p.a. via a monthly cash distribution. The fair value of the investment has been based on the unaudited positive net assets of the fund as at 30 June 2023

The Group holds direct investment in Finexia Childcare Income Fund. The retail fund was registered on 13 April 2022 and is an investment that aims to offer to retail investors direct exposure to the Childcare industry. The fund has been returning to investors between 8% and 10.75% p.a. via a monthly cash distribution. The fair value of the investment has been based on the unaudited positive net assets of the fund as at 30 June 2023.

	Consolidated	
	2023 ($)	2022 ($)
Investment in The Stay Company Income Fund		
Beginning of the year	1,771,136	-
Application	20,317,317	8,599,610
Redemption	1,605,600	(765,300)
Customers cash deposit	1,802,766	(6,063,174)
End of year	22,285,619	1,771,136
Investment in Finexia Childcare Income Fund		
Beginning of the year	-	-
Application	16,056,666	-
Redemption	-	-
End of year	16,055,666	-
	38,341,285	**1,771,136**

26. Cash Flow Information

(a) Reconciliation of Operating Loss After Income Tax to Net Cash Flow from Operating Activities

	Consolidated	
	2023 ($)	2022 ($)
Operating profit/(loss) after income tax	**3,213,719**	3,290,442
Non-cash items		
Depreciation and amortisation	306,921	306,687
Impairment of receivables	-	-
Gain on sale of investments	(293,806)	(506,523)
Finance costs/Interest paid – Leases (ROU)	17,819	30,243
Change in fair value of investments at fair value through profit or loss	(606,029)	238,918
Changes in assets and liabilities		
Decrease/(Increase) in receivables	(1,290,344)	274,564
(Decrease)/Increase in payables	(100,348)	(155,272)
Increase in contract liability	(459,665)	972,328
Increase in deferred tax liabilities	(85,573)	74,541
Increase in income tax payables	677,888	90,321
Net cash used in operating activities	**1,380,582**	**4,616,249**

(b) Non-cash investing and financing activities		
The Group had no non-cash investments and financing activities.		
(c) Net debt reconciliation		
This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.		
	2023 ($)	2022 ($)
Cash and cash equivalents	5,741,581	2,721,187
Liquid investments [1]	1,975,077	3,026,483
Borrowings	(787,027)	(787,027)
Lease liabilities	(102,508)	(238,363)
Net debt	**6,827,123**	**4,722,280**

[1] Liquid investments comprise current investments that are traded in an active market, being the group's financial assets held at fair value through profit or loss.

27. Parent Entity and Subsidiaries

As at, and throughout, the financial year ended 30 June 2022 the parent entity of the Group was Finexia Financial Group Limited.

	Parent	
	2023 ($)	2022 ($)
Assets		
Current assets	4,693,813	480,338
Non-current assets	1,096,871	2,462,300
Total assets	**5,790,684**	**2,942,638**
Liabilities		
Current liabilities	762,017	719,415
Non-current liabilities	887,027	889,535
Total liabilities	**1,649,043**	**1,608,950**
Equity		
Issued capital	16,241,276	9,973,369
Accumulated losses	(12,100,085)	(8,639,681)
Total equity	**4,141,641**	**1,333,688**
Loss for the year	(2,815,429)	(471,032)
Other comprehensive loss	-	-
Total comprehensive loss for the year	**(2,815,429)**	**(471,032)**

Subsidiaries of Finexia Financial Group Limited:	**Principal Activity**	**Country of Incorporation**	**Percentage owned**	
			2023 %	2022 %
Finexia Securities Pty Ltd	Broking and financial services	Australia	100	100
Finexia Funds Management Pty Ltd	Broking and financial services	Australia	100	100
Strategic Investment Portfolios Pty Ltd	Broking and financial services	Australia	100	100
Finexia Plus Pty Ltd	Broker retail administration services	Australia	100	100
Smart Money Super Pty Ltd	Dormant	Australia	100	100
FNX Finance Group Pty Ltd	Broking and financial services	Australia	100	100
FNX Residential Finance Pty Ltd	Broking and financial services	Australia	100	100
Creative Capital Group Pty Ltd	Capital and lending solutions	Australia	100	100
Finexia Wealth Management Pty Ltd	Broking and financial services	Australia	100	100
CIF2 Pty Ltd	Trustee Company for sub-trust	Australia	100	100
The Stay Company Income Fund***	Wholesale investor fund	Australia	100	100
Stayco Ltd**	Dormant	Australia	-	100
Stayco P1 Pty Ltd*	Dormant	Australia	-	100
Stayco P2 Pty Ltd*	Dormant	Australia	-	100
Stayco P3 Pty Ltd*	Dormant	Australia	-	100
Stayco Services Pty Ltd	Dormant	Australia	100	100
Finexia Financial Group of California LLC	Dormant	Delaware, USA	100	100

*no longer a subsidiary.
**deregistered.
*** accounted for as investment.

28. Events Subsequent to Reporting Date

There was no other matter or circumstance that has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the Group's state of affairs in future financial years.

Director's Declaration

1. In the opinion of the directors of Finexia Financial Group Limited (the Company):

   (a) the consolidated financial statements and notes thereto, set out on pages 13 to 43, and the Remuneration Report in the Directors Report, as set out on pages 8 to 10, are in accordance with the Corporations Act 2001, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

   (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

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

2. The directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2023.

3. The directors draw attention to note 1 of the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Director

Neil Sheather

Sydney
25 August 2023

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Independent Auditor's Report to the Directors of Finexia Financial Group Ltd

Report on the audit of the financial report

We have audited the accompanying financial report of Finexia Financial Group Ltd ("Company"), and its subsidiaries ("Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of Finexia Financial Group Ltd is in accordance with the *Corporations Act 2001*, including:

i. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

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

Basis for opinion

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

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

Key audit matters

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

Key audit matter	How we addressed the key audit matter
Revenue recognition (Note 1(d), 3, 7, and 21)	
Included in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2023 is an amount for $14,224,696 relating to revenue, split between return on investments, brokerage fees, income received from share market education, and SMSF administration and interest income. Revenue related to investments and brokerage is recognised at the point in time when transactions happen, while revenue related to interest, share market education and SMSF administration is recognised over the period the service is provided, in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers*. Due to the significance to the Group's financial report, we consider this to be a key audit matter.	Our procedures included, but were not limited to: a) Obtaining an understanding of and evaluating the processes and controls associated with the treatment of revenue. b) Performing analytical procedures for revenue and obtaining explanations from management. c) Performing detailed testing of a sample of invoices to assess the revenue recognition policies for appropriateness and compliance with the recognition requirements of AASB 15. d) Assessing the adequacy of the disclosures included within the financial report.

Key audit matter	How we addressed the key audit matter
Valuation of financial assets (Note 7, 8, 9, 19, and 20)	
The Group held financial assets as at 30 June 2023 which are significant to the Group. These financial assets comprise receivables (note 7) and investments in listed and unlisted funds and equities (note 8). Management have valued these financial assets in accordance with AASB 9 *Financial Instruments* and AASB 13 *Fair Value Measurement* (where appropriate). These valuation assessments have reference to expected credit losses and quoted equity prices as at 30 June 2023 (as relevant to the asset type). This was a key audit matter because of the significance of financial assets to the Group's total assets, the significance of changes in fair value to the Group's profit before tax and the measurement of fair value at the reporting date.	Our procedures included, but were not limited to: a) Obtaining third party confirmations directly from fund/portfolio managers to confirm valuations at 30 June 2023. b) Assessing assets for expected credit losses, including assessing security and valuation arrangements. c) Performing an independent check of closing equity prices to externally available quoted pricing information and recalculating equity valuations and foreign currency translations at 30 June 2023. d) Examining the application and disclosures for compliance with Australian Accounting Standards, including AASB 9 *Financial Instruments* and AASB 13 *Fair Value Measurement*.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the entity to express an opinion on the group financial report. The auditor is responsible for the direction, supervision and performance of the group audit. The auditor remains solely responsible for the audit opinion.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit finding, including any significant deficiencies in internal control that the auditor identifies during the audit.

The auditor also provides those charged with governance with a statement that the auditor has complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on the auditor's independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on the remuneration report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in page 8 to 10 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Finexia Financial Group Ltd, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Mazars

MAZARS ASSURANCE PTY LTD

M. J. Green
Director
Brisbane, 25 August 2023

Additional ASX Information

The shareholder information set out below was applicable as at 14 August 2023.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding

No. of ordinary shares held	No. of holders
1 - 1,000	111
1,001 - 5,000	138
5,001 - 10,000	19
100,001 - 100,000	77
100,001 and above	52
Total	**397**

B. Equity Security Holders

The 20 largest registered holders of each class of quoted security as at 14 August 2023 were:

Fully paid ordinary shares

1	SPRINT CAPITAL PARTNER PTY LTD	5,344,457	11.14%
2	WAVET FUND NO 2 PTY LTD <WAVET SUPER FUND NO 2 A/C>	4,250,000	8.86%
3	BNP PARIBAS NOMINEES PTY LTD BARCLAYS <DRP A/C>	3,816,429	7.96%
4	MR SHIN YONG MARK CHEW	3,771,510	7.86%
5	ACE SOLUTION INVESTMENTS LIMITED	3,658,779	7.63%
6	EDITION CAPITAL MANAGEMENT LIMITED	2,720,000	5.67%
7	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,127,988	4.44%
8	CASHPICK PTY LIMITED <IN GINTI WE A/C>	1,139,044	2.37%
9	EASTERN WORDS PTY LTD <CAPRI GROWTH A/C>	1,110,000	2.31%
10	MR CONRAD DYLAN WILSON <WILSON FAMILY A/C>	1,092,697	2.28%
11	P J BELL NO 1 PTY LTD <BELL FAMILY NO1 A/C>	1,092,696	2.28%
12	ENNOX GROUP LTD	1,078,529	2.25%
13	NETWEALTH INVESTMENTS LIMITED <SUPER SERVICES A/C>	900,299	1.88%
14	BEETON ENTERPRISES PTY LTD <THE SCOTT & SALLY BEETON A/C>	666,667	1.39%
14	NN CAPITAL PTY LTD	666,667	1.39%
15	QUALITY DISPENSERS SUPER FUND PTY LTD <QUALITY DISPENSERS S/F A/C>	650,000	1.36%
16	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	635,926	1.33%
17	ASIABIO CAPITAL LIMITED	617,732	1.29%
18	SAGE FORTUNES PTY LTD <SHEATHER FAMILY S/F A/C>	528,909	1.10%
19	TIG ASIA PTY LTD	508,159	1.06%
20	CASHPICK PTY LIMITED <IN GINTI WE A/C>	500,000	1.04%
20	MR WONG SOON WOEI	500,000	1.04%
20	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	500,000	1.04%

Total number of shares on issue as at 14 August 2023: **47,975,577**

C. Voting Rights

The voting rights attaching to each class of equity securities are set out below:

Ordinary shares

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

Options

No voting rights at meetings of members.

Directors	
Current	Mr. Neil Sheather Mr Patrick Bell Mr Jean Marc Li
Company Secretary	Mr Neil Sheather
Principal Place of Business and registered office	Level 18, Australia Square Tower Building 264 George Street, Sydney, NSW 2000
Share Registry	Automic Level 29, 201 Elizabeth Street Sydney, NSW 2000 +61 8 9315 2333
Auditor	Mazars Assurance Pty Ltd Level 11, 307 Queen Street Brisbane QLD 4000
Solicitor	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000
Stock exchange listings	Finexia Financial Group Limited shares are listed on the Australian Stock Exchange. (ASX code: FNX)
Website address	www.finexia.com.au

FINEXIA

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Sydney NSW 2000

www.finexia.com.au

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