Access Innovation Holdings Limited

ABN 12 122 058 708

Annual Report - 30 June 2020

Access Innovation Holdings Limited
Contents
30 June 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Access Innovation Holdings Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

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

Deanne Weir - Non-Executive Director and Chair
Anthony Abrahams - Executive Director and Chief Executive Officer
John Martin - Non-Executive Director
Alison Loat - Non-Executive Director
Jonathan Pearce (appointed on 21 January 2020) - Non-Executive Director

Principal activities
Ai-Media is a global access provider, utilizing its technology platform to make content available for all live and recorded captioning, transcription, subtitles, translation and speech analytics services.

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

Review of operations
The loss for the Group after providing for income tax amounted to $12,741,152 (30 June 2019: $3,882,599).

Operations

A summary of the results for the year is as follows:

	2020 $	2019 $	Change $	Change %
Revenue from operating activities	25,423,090	18,339,127	7,083,963	38.6%
EBITDA	(10,048,332)	(2,506,516)	(7,541,816)	300.9%
Loss after tax benefit from ordinary activities	(12,741,152)	(3,882,599)	(8,858,553)	228.2%

FY20 has been a strong year of revenue growth and operational cost efficiency savings across all regions.

Effective 1 May 2020, the Company acquired the Chicago-based Alternative Communication Services, LLC ('ACS') and PostCAP LLC ('POST') (collectively known as ACS Group). ACS is a leading US provider of speech-to-text captioning and sign language services in North America. The acquisition provides the Company with scale and scope to enable greater participation in the growing North American language services market and increase the size and diversity of the Company's customer base. The FY20 results include two months of ACS Group’s results (May and June).

Full year service revenue for FY20 grew $7,083,963 or 38.6% compared to $18,339,127 in FY19 with growth accelerating throughout the year on a trend set to continue through FY21. The key driver for the increase in operating expenses was the Group’s strategy to continue to establish and resource new international operations and invest in product development and infrastructure costs to support the expanding business.

Excluding the impact of the ACS acquisition, FY20 service revenue grew at 25% primarily driven by the following:
- Australia and New Zealand ('ANZ') – a strong increase in enterprise business as a number of new university and corporate customers have been won and annualisation of revenue from a broadcast customer that only provided revenue for part of the year in FY19;
- Ai-Media (ex ACS Group) North America – strong growth in enterprise business and work for 3 new broadcast customers; and
- Rest of World – first year of operations in Asia, which has included generating revenue from a number of significant new customers together with strong growth in Europe, Middle-East and Africa ('EMEA') from enterprise live and recorded sales to corporate, government and education customers and the on boarding of a new broadcast customer.

Reconciliation of loss after income tax benefit to EBITDA as follows:

	Consolidated 2020 $	Consolidated 2019 $
Loss after income tax benefit	**(12,741,152)**	**(3,882,599)**
Add: Finance costs	3,847,136	402,010
Less: Income tax benefit	(3,412,886)	(657,087)
Less: Interest income	(57,837)	(119,263)
EBIT	**(12,364,739)**	**(4,256,939)**
Add: Depreciation and amortisation expense	2,316,407	1,750,423
EBITDA	**(10,048,332)**	**(2,506,516)**

Reconciliation of results with the Prospectus

On 10 August 2020, the Company issued a prospectus ('Prospectus') for its Initial Public Offering ('IPO') seeking to raise $65,480,526 through the issuance of 24,548,779 new shares at $1.23 per share and the transfer of 28,687,420 shares at $1.23 per share to the new shareholders. The Company's shares commenced trading on ASX on 15 September 2020. The Prospectus contained a financial forecast for the period ended 30 June 2020 and for the period ending 30 June 2021.

Reported Services revenue was $0.8 million higher than the Prospectus statutory forecast for FY20, due to higher revenue than forecast from North America and ROW. This led to marginally higher EBITDA, whilst net loss after tax was in line with the Prospectus forecast.

	2020 Prospectus $million	2020 Actual $million
Services revenue	24.6	25.4
Other revenue	0.9	0.9
Total revenue	**25.6**	**26.3**
EBITDA	**(10.3)**	**(10.0)**
Depreciation and amortisation	(2.3)	(2.3)
EBIT	**(12.5)**	**(12.3)**
Net interest expense	(3.6)	(3.8)
Loss before tax	**(16.1)**	**(16.1)**
Income tax benefit	3.3	3.4
Loss after tax benefit	**(12.8)**	**(12.7)**

The statutory EBITDA for the Company was a loss of $10.0 million. This was impacted by one-off costs associated with the IPO (which was completed on 15 September 2020), acquisition costs and restructuring costs, as set out below :

	$million
Statutory EBITDA	**(10.0)**
IPO costs	0.4
Acquisition costs	0.8
Restructuring costs	0.2
Normalised EBITDA	**(8.6)**

Liquidity

The consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2020 reflects a net loss after income tax of $12,741,152 (2019: $3,882,599) and the consolidated statement of cash flows reflects net cash outflows from operating activities of $5,774,105 (2019: $1,959,636). As at 30 June 2020, the consolidated statement of financial position reflects a net asset deficit position of $8,796,601 (2019: net assets of $2,705,583) and a net current liability position of $23,342,126 (2019: net current asset of $373,013).

The directors have assessed that based on the successful IPO capital raised it is appropriate to prepare the financial report on the going concern basis. For further information, refer to note 2.

Significant changes in the state of affairs

On 29 August 2019, Ai-Media SG Pte. Limited, a new subsidiary was incorporated in Singapore and started operations during the year.

The Company raised $10,330,000 in cash proceeds from entering into various convertible note subscription agreements ('debt notes') between 13 December 2019 and 25 June 2020. The terms of repayment of the debt notes issued is either full repayment of principal and interest, accrued daily at a coupon rate of 8% per annum, on the 30 June 2021, or earlier if there is a liquidity event. In the event there is a liquidity event earlier than 30 June 2021, the value of the debt note at the liquidity event date is converted into ordinary shares with a discount price range. As the number of shares on conversion is variable, the entire financial instrument will be classified as financial liabilities.

On 1 May 2020, the Group acquired 100% of the share capital of ACS Group. The acquisition was funded by a combination of cash, equity and deferred consideration, with $769,899 being paid as at 30 June 2020. The cash component was met with existing funds raised with the convertible notes issued. The acquisition of this highly regarded US captioning services company will complement the Group's breakout organic sales growth in the North American market, delivering long term customers, local knowledge and an expanded workforce.

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

Matters subsequent to the end of the financial year

On 15 September 2020 the Company successfully completed its Initial Public Offering (“IPO”) on the Australian Securities Exchange raising a total of $65,480,526 from the additional issuance of 24,548,779 shares at an issue price of $1.23 per share ($30,194,999) and transfer of 28,687,420 shares at an issue price of $1.23 per share ($35,285,527) to new shareholders. The capital proceeds from the additional issuance of shares will be used to pursue the Group’s strategic global growth objectives, repay all shareholder loans and fund IPO related costs.

On 15 September 2020, all the convertible notes were converted into ordinary shares.

Due to the impact of COVID-19, since 30 June 2020, Ai Media has seen increases in content requiring captioning. While some live events and some recorded media categories remain impacted, an accelerated shift towards virtual events and education resulting in increased demand for captioning from educational, government and non government organisations and corporate customers.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

The Group’s growth strategy is focused on continuing its current growth trajectory, particularly in its offshore regions and to ongoing development of its technology to provide a wider range of services for its customers. The key pillars of the Group’s growth strategy are:

- growth markets;
- platform automation and scalability;
- product innovation;
- organic growth; and
- acquisition opportunities.

Business risks

Please refer to the Prospectus for a description of the Company’s business risks.

Environmental regulation

The Group is not subject to any significant environmental regulation under a law of Commonwealth or State law within all the geographical locations the Group operate in.

Information on directors

Name:	Deanne Weir
Title:	Non-Executive Director and Chair
Qualifications:	BA(Hons) LLB(Hons) LLM
Experience and expertise:	Deanne has served as a director of Ai-Media since 2010, and became Chair in August 2013. An entrepreneur, company director and philanthropist, Deanne previously spent 10 years at ASX listed company Austar United Communications as a senior executive, including as General Counsel and Company Secretary. Deanne is also Chair of Seer Data and Analytics, an Australian technology start-up. Deanne is passionate about community engagement and the power of story-telling to help influence social change. Deanne was a long-term Board member and Deputy Chair at Screen Australia and in 2017 was appointed Chair of the Sydney Film Festival. Deanne is a Graduate of the Australian Institute of Company Directors.

Name:	Anthony Abrahams
Title:	Co-Founder, Director and Chief Executive Officer
Qualifications:	BCom (Hons). LLB (UNSW), MPhil. MBA (Oxford)
Experience and expertise:	Tony co-founded Ai-Media in 2003. Tony served as a Director of Northcott Disability Services from 2010 to 2018, and was recognised by the World Economic Forum as a Young Global Leader in 2013. In previous roles, Tony worked to establish the Oxford Internet Institute in 2001, while attending the University of Oxford as a Rhodes Scholar. Tony has been a member of the Australian Institute of Company Directors since 2006.

Name:	John Martin
Title:	Independent, Non-Executive Director
Qualifications:	BA LLB (Hons)
Experience and expertise:	John joined the board in 2010 and served as the company's first Chairman until 2013. He is an experienced company director and business executive having served as CEO and director of ASX-listed Babcock & Brown Communities, Primelife and Regeneus. John is a former corporate and executive partner of the law firm Allens where he specialised in M&A, fundraising and corporate advisory. He is a Non-Executive Director of ASX-listed investment company, Concentrated Leaders Fund; national law firm, Sparke Helmore; biotech company, Biopoint; and wireless technology company, Lokket. John is a member of the Australian Institute of Company Directors.

Name:	Alison Loat
Title:	Independent, Non-Executive Director
Qualifications:	BAH, Queen's University, Kingston Canada; MPP, Harvard Kennedy School
Experience and expertise:	Alison joined the Board in 2018 is the Chair of Ai-Media's Canadian entity. Alison is the Managing Director, Sustainable Investing and Innovation at OPTrust, a Canadian public pension plan, where she is responsible for environmental, social and governancerelated aspects of $22 billion in globally diversified investments and for developing a new investment portfolio that deploys capital at the intersection of sustainability and innovation. She is also a Director of The Logic, a Canadian media company. Alison is currently a World Economic Forum Young Global Leader, where she serves on the program's Advisory Board, an Advisory Board member at the Max Bell School of Public Policy at McGill University and a governor of Ridley College. She received both the Queen's Gold and Diamond Jubilee Medals for her service to Canada and was named one of the WXN 100 Most Powerful Women in Canada. She holds a BA (Honours) from Queen's University and a Master of Public Policy (MPP) from the Harvard Kennedy School.

Name:	Jonathan Pearce (appointed on 21 January 2020)
Title:	Non-Executive Director
Qualifications:	B Fin.; Graduate Diploma of App. Fin
Experience and expertise:	Jonathan has significant experience in the finance industry where he has held senior roles in a number of boutique investment and advisory houses. He is a portfolio manager of the CVC Emerging Companies Fund and focuses primarily on corporate finance and advisory for small mid-cap companies listed on the ASX.

Company secretary

Name:	Suzanne Sanossian
Title:	Company Secretary
Experience and expertise:	Sue joined Ai-Media in 2011 and is responsible for assisting the Board and company in meeting its fiduciary, compliance and corporate governance obligations. Sue heads up the People and Culture team and previously was part of the corporate development and legal affairs team at Austar United Communications Limited (an ASX listed company), and has prior experience in administrative roles with two ASX listed companies – Lake Technology Limited and Excel Coal Limited. Sue is a pivotal point of contact for the Board, investors, senior executives, staff and industry peers. She is a Member of the Australian Institute of Company Directors and is currently studying with the Governance Institute of Australia (Certificate in Governance). In January 2020 Sue was appointed Board member of the Global Alliance of Speech to Text Captioning, a US-based non-profit corporation which is dedicated to universal accessibility to the spoken word via all forms of captioning.

Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Deanne Weir	12	12
Anthony Abrahams	12	12
John Martin	12	12
Alison Loat	12	12
Jonathan Pearce	7	7

Held: represents the number of meetings held during the time the director held office.

Additional disclosures

The following table sets out each director’s relevant interest in shares, debentures, and rights or options in shares or debentures of the Group and other key management personnel option holdings as at the date of this report.

Directors’ shareholdings

The following table sets out each director’s relevant interest in shares of the company or a related body corporate as at the date of this report:

	Ordinary shares Number
Directors	
Deanne Weir	16,072,336
Anthony Abrahams	27,639,898
John Martin	1,088,646
Alison Loat	250,000
Jonathan Pearce	4,797,719
	49,848,599

Remuneration report
Remuneration Report disclosure is not required as the Company was not a listed entity as at 30 June 2020.

Shares under option
There were no unissued ordinary shares of Access Innovation Holdings Limited under option outstanding at the date of this report.

Shares issued on the exercise of options
During or since the end of the financial year, the Company issued 8,577,250 ordinary shares as a result of the exercise of options after satisfaction of the vesting conditions i.e. a Liquidity Event (the IPO).

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

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

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

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

Proceedings on behalf of the Company
No person has applied to the Court 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.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
Deloitte Touche Tohmatsu continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Anthony Abrahams
Director and Chief Executive Officer

30 September 2020

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

30 September 2020

The Board of Directors
Access Innovation Holdings Limited
Level 1, 103 Miller Street
North Sydney NSW 2060
Australia

Dear Board Members

Access Innovation Holdings Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Access Innovation Holdings Limited.

As lead audit partner for the audit of the financial report of Access Innovation Holdings Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Joshua Tanchel
Partner
Chartered Accountants

Access Innovation Holdings Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 Restated* $
Revenue	6	25,423,090	18,339,127
Other income	7	925,991	103,928
Interest revenue calculated using the effective interest method		57,837	119,263
Expenses			
Cost of sales		(14,569,774)	(9,417,108)
Employee benefits expense		(12,896,794)	(6,532,263)
Depreciation and amortisation expense	8	(2,316,407)	(1,750,423)
Impairment of receivables	11	(141,688)	(1,055)
Professional and consulting costs		(3,163,874)	(995,815)
Business development costs		(2,064,983)	(1,272,882)
Networking and information technology costs		(1,219,371)	(1,006,116)
Other employment costs		(641,962)	(466,595)
Office expenses		(376,851)	(314,866)
Other expenses		(1,322,116)	(942,871)
Finance costs	8	(3,847,136)	(402,010)
Loss before income tax benefit		(16,154,038)	(4,539,686)
Income tax benefit	9	3,412,886	657,087
Loss after income tax benefit for the year attributable to the owners of Access Innovation Holdings Limited		(12,741,152)	(3,882,599)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(37,463)	4,110
Other comprehensive income for the year, net of tax		(37,463)	4,110
Total comprehensive income for the year attributable to the owners of Access Innovation Holdings Limited		(12,778,615)	(3,878,489)
		Cents	Cents
Basic loss per share	38	(13.24)	(4.04)
Diluted loss per share	38	(13.24)	(4.04)

* The Group has applied AASB 16 using the full retrospective approach from 1 July 2019. The comparative amounts presented as at 30 June 2019 were restated for the impact of AASB 16, refer to note 4 for detailed information.

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

Access Innovation Holdings Limited
Consolidated statement of financial position
As at 30 June 2020

	Note	2020 $	Consolidated 2019 Restated* $	1 Jul 2018 Restated* $
Assets				
Current assets				
Cash and cash equivalents	10	2,994,171	1,436,682	5,595,451
Trade and other receivables	11	6,145,996	3,646,605	2,787,331
Contract assets	12	374,578	201,797	-
Investments	13	272,076	272,076	-
Income tax	9	-	495,609	1,289
Total current assets		9,786,821	6,052,769	8,384,071
Non-current assets				
Property, plant and equipment	14	1,091,321	929,669	1,037,155
Right-of-use assets	15	1,122,974	1,272,235	1,550,632
Intangibles	16	11,244,053	3,068,078	1,986,761
Deferred tax assets	9	3,333,960	278,156	512,606
Total non-current assets		16,792,308	5,548,138	5,087,154
Total assets		26,579,129	11,600,907	13,471,225
Liabilities				
Current liabilities				
Trade and other payables	17	7,613,706	1,875,447	1,378,852
Contract liabilities	18	167,812	153,856	59,761
Borrowings	19	13,248,427	764,511	-
Lease liabilities	21	660,762	739,116	655,043
Derivative financial instruments	20	3,017,593	-	-
Income tax	9	-	-	870,240
Employee benefits		1,100,782	766,918	455,408
Provisions	22	7,319,865	1,379,908	1,381,460
Total current liabilities		33,128,947	5,679,756	4,800,764
Non-current liabilities				
Trade and other payables	23	-	469,917	278,684
Borrowings	24	384,034	800,000	800,000
Lease liabilities	25	1,129,896	1,277,571	1,162,844
Employee benefits		467,501	402,728	279,522
Provisions	26	265,352	265,352	-
Income tax		-	-	392,663
Total non-current liabilities		2,246,783	3,215,568	2,913,713
Total liabilities		35,375,730	8,895,324	7,714,477
Net (liabilities)/assets		(8,796,601)	2,705,583	5,756,748
Equity				
Issued capital	27	8,980,031	8,980,031	8,980,031
Reserves	28	8,671,609	7,432,641	6,601,207
Accumulated losses		(26,448,241)	(13,707,089)	(9,824,490)
Total equity		(8,796,601)	2,705,583	5,756,748

* The Group has applied AASB 16 using the full retrospective approach from 1 July 2019. The comparative amounts presented as at 30 June 2019 were restated for the impact of AASB 16, refer to note 4 for detailed information.

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

Access Innovation Holdings Limited
Consolidated statement of changes in equity
For the year ended 30 June 2020

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2018	8,980,031	6,601,207	(9,802,689)	5,778,549
Impact of adoption of AASB 16 * (note 4)	-	-	(21,801)	(21,801)
Balance at 1 July 2018 - restated	8,980,031	6,601,207	(9,824,490)	5,756,748
Loss after income tax benefit for the year	-	-	(3,882,599)	(3,882,599)
Other comprehensive income for the year, net of tax	-	4,110	-	4,110
Total comprehensive income for the year	-	4,110	(3,882,599)	(3,878,489)
Transactions with owners in their capacity as owners:				
Share-based payments (note 42)	-	827,324	-	827,324
Balance at 30 June 2019	8,980,031	7,432,641	(13,707,089)	2,705,583

* The Group has applied AASB 16 using the full retrospective approach from 1 July 2019. The comparative amounts presented as at 30 June 2019 were restated for the impact of AASB 16, refer to note 4 for detailed information.

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2019	8,980,031	7,432,641	(13,707,089)	2,705,583
Loss after income tax benefit for the year	-	-	(12,741,152)	(12,741,152)
Other comprehensive income for the year, net of tax	-	(37,463)	-	(37,463)
Total comprehensive income for the year	-	(37,463)	(12,741,152)	(12,778,615)
Transactions with owners in their capacity as owners:				
Share-based payments (note 42)	-	1,276,431	-	1,276,431
Balance at 30 June 2020	8,980,031	8,671,609	(26,448,241)	(8,796,601)

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

Access Innovation Holdings Limited
Consolidated statement of cash flows
For the year ended 30 June 2020

	Note	Consolidated 2020 $	2019 Restated* $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		26,479,701	19,232,611
Payments to suppliers and employees (inclusive of GST)		(32,880,722)	(20,388,701)
		(6,401,021)	(1,156,090)
Interest received		57,837	119,263
Other revenue		925,991	103,928
Interest and other finance costs paid		(832,127)	(159,978)
Income taxes refunded/(paid)		475,215	(866,759)
Net cash used in operating activities	40	(5,774,105)	(1,959,636)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	36	(464,853)	-
Payments for property, plant and equipment	14	(518,998)	(103,818)
Payments for intangibles	16	(2,568,997)	(1,882,806)
Payments for security deposits		-	(4,722)
Payments for term deposits		-	(272,076)
Net cash used in investing activities		(3,552,848)	(2,263,422)
Cash flows from financing activities			
Proceeds from bank loans and other loans		424,817	-
Proceeds from shareholder loans		1,613,918	-
Proceeds from convertible notes		10,330,000	-
Repayment of lease liabilities		(779,000)	(702,797)
Net cash from/(used in) financing activities		11,589,735	(702,797)
Net increase/(decrease) in cash and cash equivalents		2,262,782	(4,925,855)
Cash and cash equivalents at the beginning of the financial year		672,171	5,595,451
Effects of exchange rate changes on cash and cash equivalents		59,218	2,575
Cash and cash equivalents at the end of the financial year	10	2,994,171	672,171

* The Group has applied AASB 16 using the full retrospective approach from 1 July 2019. The comparative amounts presented as at 30 June 2019 were restated for the impact of AASB 16, refer to note 4 for detailed information.

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

Note 1. General information

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

Access Innovation Holdings Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 6 277 William Street Melbourne VIC 3000	Level 1 103 Miller Street North Sydney NSW 2060

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2020. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

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

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

AASB 16 Leases
The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption
AASB 16 was adopted using the full retrospective approach and as such the comparatives have been restated. The impact on the financial performance and position of the Group from the adoption of AASB 16 is detailed in note 4.

Note 2. Significant accounting policies (continued)

Practical expedients applied
When adopting AASB 16 from 1 July 2018, the Group has applied the following practical expedients:
- applying a single discount rate to the portfolio of leases with reasonably similar characteristics;
- accounting for leases with a remaining lease term of 12 months as at 1 July 2019 as short-term leases;
- excluding any initial direct costs from the measurement of right-of-use assets;
- using hindsight in determining the lease term when the contract contains options to extend or terminate the lease; and
- not apply AASB 16 to contracts that were not previously identified as containing a lease.

Interpretation 23 Uncertainty over Income Tax
The Group has adopted Interpretation 23 from 1 July 2019. The interpretation clarifies how to apply the recognition and measurement requirements of AASB 112 'Income Taxes' in circumstances where uncertain tax treatments exists. The interpretation requires: the Group to determine whether each uncertain tax treatment should be treated separately or together, based on which approach better predicts the resolution of the uncertainty; the Group to consider whether it is probable that a taxation authority will accept an uncertain tax treatment; and if the Group concludes that it is not probable that the taxation authority will accept an uncertain tax treatment, it shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses, unused tax credits or tax rates, measuring the tax uncertainty based on either the most likely amount or the expected value. In making the assessment it is assumed that a taxation authority will examine amounts it has a right to examine and have full knowledge of all related information when making those examinations. Management has considered all facts and circumstances as it relates to the Group and believe there is no material uncertainty over the availability of the tax losses and other deductions to the Group.

Initial adoption of AASB 1 'First-time Adoption of Australian Accounting Standards'
The Group previously prepared general purpose financial statements with reduced disclosure requirements, that adopted full recognition and measurements of Australian Accounting Standards but with some exempted disclosures. These financial statements are the first general purpose financial statements prepared under Australian Accounting Standards. The only impact of adoption is the additional disclosures as full recognition and measurements have already been applied.

Going concern
The financial report has been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business and assumes the Group will have sufficient cash resources to pay their debts as and when they become due and payable for at least 12 months from the date of signing the financial report.

The Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2020 reflects a net loss after income tax of $12,741,152 (2019: $3,882,599) and the Statement of Cash Flows reflects net cash outflows from operating activities of $5,774,105 (2019: $1,959,636). As at 30 June 2020, the Statement of Financial Position reflects a net asset deficit position of $8,796,601 (2019: net assets of $2,705,583) and a net current liability position of $23,342,126 (2019: net current asset of $373,013). The increase in losses and net cash outflows from operating activities in the current year are a result of the strategic decision taken by the Group to accelerate its expansion to take advantage of the global market growth opportunity.

On 15 September 2020 the Company successfully completed its Initial Public Offering ("IPO") on the Australian Securities Exchange raising a total of $65,480,526 from the additional issuance of 24,548,779 shares at an issue price of $1.23 per share ($30,194,999) and transfer of 28,687,420 shares at an issue price of $1.23 per share ($35,285,527) to new shareholders. The capital proceeds from the additional issuance of shares will be used to pursue the Group's strategic global growth objectives, repay all shareholder loans and fund IPO related costs.

As a consequence of the successful IPO, both the deficiency in net assets and the net current liability positions were remediated subsequent to the year end. Resultantly, based on the successful IPO capital raised it is appropriate to prepare the financial report on the going concern basis.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Note 2. Significant accounting policies (continued)

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

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

Comparative information
The financial statements presented in the comparative financial information are for the financial year ended 30 June 2019 and when required by accounting standards, comparative amounts have been adjusted to conform to changes in presentation for the current financial year.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 39.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Access Innovation Holdings Limited as at 30 June 2020 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

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

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

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation

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

Note 2. Significant accounting policies (continued)

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

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

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

Revenue from services
Revenue from a contract to provide services is recognised over time for all live captioning, as customers simultaneously receive and consume captioning services as live captioned events occur. All recorded captioning is recognised at a point in time, at such time that the customers gains control of and derives the benefits from the completed captioned medium(s) produced and incurs the obligation to pay for completed captioning. Revenue from services primarily have payment terms of 30 days.

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

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established. Other income is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer.

Grant income
During the year the Group received payments from various governments amounting to $280,715 as part of their boosting cash flow for small medium businesses and employers due to the impacts of the COVID-19 pandemic. These amounts have been recognised as government grants and recognised as income once there is reasonable assurance the Group will comply with any conditions attached.

Cost of sales
Cost of sales includes both direct and indirect labour costs and other costs directly attributable to the generation of revenue.

Note 2. Significant accounting policies (continued)

Contract assets and liabilities
AASB 15 uses the terms ‘contract asset’ and ‘contract liability’ to describe what is commonly known as ‘accrued revenue’ and ‘deferred revenue’. Contract receivables represent receivables in respect of which the Group’s right to consideration is unconditional subject only to the passage of time. Contract receivables are non-derivative financial assets accounted for in accordance with the Group’s accounting policy for non-derivative financial assets. Contract assets represent the Group’s right to consideration for services provided to customers for which the Group’s right remains conditional on something other than the passage of time. Contract liabilities arise where payment is received prior to work being performed. Contract assets and contract liabilities are recognised and measured in accordance with this accounting policy

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

Access Innovation Holdings Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Research and development grant
The Group has exceeded the $20 million ATO threshold to claim the refundable R&D tax credit and accounts for the concession as part of its calculation of income tax expense/benefit for the financial year.

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

Note 2. Significant accounting policies (continued)

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

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

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

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

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

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

Investments and other financial assets

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

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

Financial assets at amortised cost

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

Investments

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the Group has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

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

Note 2. Significant accounting policies (continued)

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

Property, plant and equipment

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

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

Leasehold improvements	3 to 5 years
Plant and equipment	5 to 10 years

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

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

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

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets

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

Goodwill

Goodwill arises on the acquisition of a business and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Note 2. Significant accounting policies (continued)

Development
Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility, the Group is able to use or sell the asset, the Group has sufficient resources and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 years.

Intellectual property
Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of its expected benefit, being its finite life, which varies from 3 to 5 years.

Customer contracts
Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of its expected benefit, being its finite life, which varies from 3 to 5 years.

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

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

Trade and other payables
These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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

The component of the convertible notes that exhibits characteristics of a liability is recognised as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the debt host contract component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a current liability on an amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds at initial recognition are allocated to the embedded conversion option that is recognised at fair value as a financial liability. This is subsequently remeasured at fair value at each reporting date and differences in fair value are recognised in profit and loss. On conversion of the convertible note into ordinary shares, the carrying amount of the debt host contract and derivative is converted into ordinary shares.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Note 2. Significant accounting policies (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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

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

Employee benefits

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

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

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

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

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

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

Note 2. Significant accounting policies (continued)

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

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

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

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

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

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

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

Derivative financial instruments

Embedded derivative

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not classified as fair value through profit or loss with such gains or losses presented in finance costs. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial instrument out of the fair value through profit or loss category.

Fair value measurement

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

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

Issued capital

Ordinary shares are classified as equity.

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

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

Note 2. Significant accounting policies (continued)

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Access Innovation Holdings Limited, 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 financial year.

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.

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Note 2. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2020. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

Conceptual Framework for Financial Reporting (Conceptual Framework)
The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the Group has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the Group may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the Group's financial statements.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic

The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted and key judgements exist when determining the vesting period. For cash settled liabilities the fair value is determined using the best estimate of the market price of the entity’s ordinary shares at each reporting period.

Best estimate judgements on present obligations
The amount recognised as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Management take into account the probability weighting of the most likely outcome when recognising provisions which involves key judgements.

Recovery of deferred tax assets
Deferred tax assets are recognised for tax losses and deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Derivative financial instruments
Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting period. The Group makes judgements and estimates in relation to the observable inputs which determine the fair value adopted. These judgements include the estimated share price, as well the timing and probability of a Liquidity event (e.g. IPO) taking place.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Business combinations
The Group makes judgements and estimates in relation to the fair value allocation of the purchase price. The amount of goodwill initially recognised as a result of a business combination is dependent on the allocation of the purchase price to the fair value of the identifiable assets acquired and the liabilities assumed. The determination of the fair value of the assets and liabilities is based, to a considerable extent, on management's judgement. Allocation of the purchase price affects the results of the Group as finite lived intangible assets are amortised, whereas indefinite lived intangible assets, including goodwill, are not amortised and could result in differing amortisation charges based on the allocation to indefinite lived and finite lived intangible assets.

Note 4. Restatement of comparatives

Adoption of AASB 16 'Leases'
The Group has adopted AASB 16 'Leases' from 1 July 2019, using the full retrospective approach, resulting in the following restatement of comparatives for the statement of financial position as at 30 June 2019:

- Leased plant and equipment (previously recognised under finance leases) of $379,508 were reclassified from property, plant and equipment to right-of-use assets
- Additional right-of-use assets of $892,727 were recognised (discounted based on the weighted average incremental borrowing rate of 3.6% and net of accumulated depreciation)
- Net deferred tax assets increased by $9,343 (as a result of the net tax effect on right-of-use assets and lease liabilities)
- Finance lease liabilities of $276,146 (current) and $428,262 (non-current) were reclassified from borrowings to lease liabilities
- Additional lease liabilities of $1,312,279 were recognised (current $462,970 and non-current $849,309)
- The overall impact on total equity was a decrease of $30,144.

The impact on the statement of profit or loss and other comprehensive income for the year ended 30 June 2019:
- Depreciation of $385,665 was recognised against the right-of-use assets
- Lease payments of $424,546 were reclassified from other expenses to principal repayments against lease liabilities
- Finance costs of $50,799 were recognised against lease liabilities
- Income tax benefit increased by $3,575
- Loss after income tax expense increased by $8,343

Statement of financial position at the beginning of the earliest comparative period
Retained profits as at 1 July 2018 were restated by $21,801, as result of right-of-use assets and lease liabilities as described above.

Note 4. Restatement of comparatives (continued)

Statement of profit or loss and other comprehensive income

	Consolidated		
	2019 $ Reported	$ Adjustment	2019 $ Restated
Revenue	18,339,127	-	18,339,127
Other income	103,928	-	103,928
Interest revenue calculated using the effective interest method	119,263	-	119,263
Expenses			
Cost of sales	(9,417,108)	-	(9,417,108)
Employee benefits expense	(6,532,263)	-	(6,532,263)
Depreciation and amortisation expense	(1,364,758)	(385,665)	(1,750,423)
Impairment of receivables	(1,055)	-	(1,055)
Professional and consulting costs	-	(995,815)	(995,815)
Business development costs	(1,272,882)	-	(1,272,882)
Networking and information technology costs	(1,006,116)	-	(1,006,116)
Other employment costs	(466,595)	-	(466,595)
Office expenses	(739,412)	424,546	(314,866)
Other expenses	(1,938,686)	995,815	(942,871)
Finance costs	(351,211)	(50,799)	(402,010)
Loss before income tax benefit	(4,527,768)	(11,918)	(4,539,686)
Income tax benefit	653,512	3,575	657,087
Loss after income tax benefit for the year attributable to the owners of Access Innovation Holdings Limited	(3,874,256)	(8,343)	(3,882,599)
Other comprehensive income			
Foreign currency translation	4,110	-	4,110
Other comprehensive income for the year, net of tax	4,110	-	4,110
Total comprehensive income for the year attributable to the owners of Access Innovation Holdings Limited	(3,870,146)	(8,343)	(3,878,489)

	Cents Reported	Cents Adjustment	Cents Restated
Basic loss per share	(4.02)	(0.02)	(4.04)
Diluted loss per share	(4.02)	(0.02)	(4.04)

Note 4. Restatement of comparatives (continued)

Statement of financial position at the beginning of the earliest comparative period

	Consolidated		
	1 Jul 2018 $ Reported	 $ Adjustment	1 Jul 2018 $ Restated
Assets			
Current assets			
Cash and cash equivalents	5,595,451	-	5,595,451
Trade and other receivables	2,787,331	-	2,787,331
Income tax	1,289	-	1,289
Total current assets	8,384,071	-	8,384,071
Non-current assets			
Property, plant and equipment	1,309,395	(272,240)	1,037,155
Right-of-use assets	-	1,550,632	1,550,632
Intangibles	1,986,761	-	1,986,761
Deferred tax assets	503,263	9,343	512,606
Total non-current assets	3,799,419	1,287,735	5,087,154
Total assets	12,183,490	1,287,735	13,471,225
Liabilities			
Current liabilities			
Trade and other payables	1,614,963	(236,111)	1,378,852
Contract liabilities	59,761	-	59,761
Borrowings	230,497	(230,497)	-
Lease liabilities	-	655,043	655,043
Income tax	870,240	-	870,240
Employee benefits	455,408	-	455,408
Provisions	1,381,460	-	1,381,460
Total current liabilities	4,612,329	188,435	4,800,764
Non-current liabilities			
Trade and other payables	278,684	-	278,684
Borrowings	841,743	(41,743)	800,000
Lease liabilities	-	1,162,844	1,162,844
Employee benefits	279,522	-	279,522
Income tax	392,663	-	392,663
Total non-current liabilities	1,792,612	1,121,101	2,913,713
Total liabilities	6,404,941	1,309,536	7,714,477
Net assets	5,778,549	(21,801)	5,756,748
Equity			
Issued capital	8,980,031	-	8,980,031
Reserves	6,601,207	-	6,601,207
Accumulated losses	(9,802,689)	(21,801)	(9,824,490)
Total equity	5,778,549	(21,801)	5,756,748

Note 4. Restatement of comparatives (continued)

Statement of financial position at the end of the earliest comparative period

	Consolidated		
	2019 $ Reported	 $ Adjustment	2019 $ Restated
Assets			
Current assets			
Cash and cash equivalents	1,436,682	-	1,436,682
Trade and other receivables	3,646,605	-	3,646,605
Contract assets	201,797	-	201,797
Investments	272,076	-	272,076
Income tax	495,609	-	495,609
Total current assets	6,052,769	-	6,052,769
Non-current assets			
Property, plant and equipment	1,309,177	(379,508)	929,669
Right-of-use assets	-	1,272,235	1,272,235
Intangibles	3,068,078	-	3,068,078
Deferred tax assets	266,311	11,845	278,156
Total non-current assets	4,643,566	904,572	5,548,138
Total assets	10,696,335	904,572	11,600,907
Liabilities			
Current liabilities			
Trade and other payables	2,253,010	(377,563)	1,875,447
Contract liabilities	153,856	-	153,856
Borrowings	1,040,657	(276,146)	764,511
Lease liabilities	-	739,116	739,116
Employee benefits	766,918	-	766,918
Provisions	1,379,908	-	1,379,908
Total current liabilities	5,594,349	85,407	5,679,756
Non-current liabilities			
Trade and other payables	469,917	-	469,917
Borrowings	1,228,262	(428,262)	800,000
Lease liabilities	-	1,277,571	1,277,571
Employee benefits	402,728	-	402,728
Provisions	265,352	-	265,352
Total non-current liabilities	2,366,259	849,309	3,215,568
Total liabilities	7,960,608	934,716	8,895,324
Net assets	2,735,727	(30,144)	2,705,583
Equity			
Issued capital	8,980,031	-	8,980,031
Reserves	7,432,641	-	7,432,641
Accumulated losses	(13,676,945)	(30,144)	(13,707,089)
Total equity	2,735,727	(30,144)	2,705,583

Note 5. Operating segments

Identification of reportable operating segments
The Group is organised into 3 operating segments based on geographical locations: Australia and New Zealand ('ANZ'), North America (which includes Canada and United States of America), Rest of the world ('ROW') (which includes United Kingdom and Singapore). These operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

The CODM does not regularly review segment assets and segment liabilities. Refer to statement of financial position for assets and liabilities.

Major customers
The Group's largest 3 customers contribute to approximately 45% of the Group's revenue.

Operating segment information

Consolidated - 2020	ANZ $	North America $	ROW $	Corporate $	Total $
Revenue					
Sales to external customers	17,616,542	4,879,374	2,927,174	-	25,423,090
Other revenue	919,169	6,822	-	-	925,991
Total revenue	18,535,711	4,886,196	2,927,174	-	26,349,081
EBITDA	6,698,101	(905,549)	(311,170)	(15,529,714)	(10,048,332)
Depreciation and amortisation					(2,316,407)
Interest revenue					57,837
Finance costs					(3,847,136)
Loss before income tax benefit					(16,154,038)
Income tax benefit					3,412,886
Loss after income tax benefit					(12,741,152)

Consolidated - 2019	ANZ $	North America $	ROW $	Corporate $	Total $
Revenue					
Sales to external customers	16,157,248	765,775	1,416,104	-	18,339,127
Other revenue	103,928	-	-	-	103,928
Total revenue	16,261,176	765,775	1,416,104	-	18,443,055
EBITDA	6,752,364	(904,272)	(82,815)	(8,271,793)	(2,506,516)
Depreciation and amortisation					(1,750,423)
Interest revenue					119,263
Finance costs					(402,010)
Loss before income tax benefit					(4,539,686)
Income tax benefit					657,087
Loss after income tax benefit					(3,882,599)

Note 6. Revenue

	Consolidated 2020 $	Consolidated 2019 $
Service revenue	25,423,090	18,339,127

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

	Consolidated 2020 $	Consolidated 2019 $
Major product lines		
Broadcast*	15,280,613	13,860,027
Non-broadcast*	10,142,477	4,479,100
	25,423,090	18,339,127
Timing of revenue recognition		
Goods transferred at a point in time	11,942,592	7,675,623
Services transferred over time	13,480,498	10,663,504
	25,423,090	18,339,127

* Broadcast revenue includes services provided to broadcasters, including captioning live, sporting events and recorded content. Non-broadcast revenue includes services provided to enterprise and convention (corporate, governments and universities) customers.

Note 7. Other income

	Consolidated 2020 $	Consolidated 2019 $
Other revenue	925,991	103,928

Other revenue relates to IT infrastructure services provided on an ad-hoc and non-recurring basis.

Note 8. Expenses

	Consolidated 2020 $	2019 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	252,080	221,910
Plant and equipment	105,266	149,929
Buildings right-of-use assets	411,015	385,665
Plant and equipment right-of-use assets	291,217	191,430
Total depreciation	1,059,578	948,934
Amortisation		
Development	1,167,752	705,794
Customer contracts	24,043	-
Intellectual property	-	86
Software	65,034	95,609
Total amortisation	1,256,829	801,489
Total depreciation and amortisation	2,316,407	1,750,423
Finance costs		
Interest and finance charges paid/payable on borrowings	481,292	351,211
Interest and finance charges paid/payable on lease liabilities	47,172	50,799
Interest on convertible notes (debt host)	949,469	-
Fair value movement on embedded derivatives (note 20)	2,369,203	-
Finance costs expensed	3,847,136	402,010
Leases		
Short-term lease payments	166,521	151,971
Superannuation expense		
Defined contribution superannuation expense	1,295,910	972,001

Note 9. Income tax

	Consolidated 2020 $	Consolidated 2019 $
Income tax benefit		
Current tax	(132,532)	(862,127)
Deferred tax - origination and reversal of temporary differences	(3,433,280)	234,450
Adjustment recognised for prior periods	(3,592)	(29,410)
Under/over opening deferred tax assets	156,518	-
Aggregate income tax benefit	(3,412,886)	(657,087)
Deferred tax included in income tax benefit comprises:		
Decrease/(increase) in deferred tax assets	(3,433,280)	234,450
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(16,154,038)	(4,539,686)
Tax at the statutory tax rate of 27.5%	(4,442,360)	(1,248,414)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Research and Development	(403,000)	(993,000)
Other non-assessable and non-deductible items	1,312,247	901,852
Sundry items	243,972	776
	(3,289,141)	(1,338,786)
Adjustment recognised for prior periods	(3,592)	(29,410)
Current year tax losses not recognised	(454,203)	-
Difference in overseas tax rates	177,532	-
Recognition of deferred tax liability	-	711,109
Under/over opening deferred tax assets	156,518	-
Income tax benefit	(3,412,886)	(657,087)

Note 9. Income tax (continued)

	Consolidated 2020 $	Consolidated 2019 $
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Allowance for expected credit losses	17,625	-
Property, plant and equipment	(1,589)	96,031
Employee benefits	417,582	311,854
Provisions	1,373,179	-
Accrued expenses	59,868	572,426
Tax losses	1,226,397	-
Research and development tax losses	1,410,498	-
Prepayments	(1,190)	(2,310)
Contract assets	(28,448)	-
Capitalised development cost and customer contracts	(1,358,218)	(711,109)
Right-of-use assets/lease liabilities	91,710	11,845
Other	126,546	(581)
Deferred tax asset	3,333,960	278,156
Movements:		
Opening balance	278,156	512,606
Credited/(charged) to profit or loss	3,433,280	(234,450)
Additions through business combinations (note 36)	(377,476)	-
Closing balance	3,333,960	278,156

	Consolidated 2020 $	Consolidated 2019 $
Income tax		
Income tax refund due	-	495,609

The Group has recognised a deferred tax asset in respect of the tax losses as it is considered probable that there will be future taxable profits available in excess of the profits arising from the reversal of existing taxable temporary differences.

Note 10. Current assets - cash and cash equivalents

	Consolidated 2020 $	Consolidated 2019 $
Cash on hand	196	120
Cash at bank	2,993,975	1,436,562
	2,994,171	1,436,682

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:

	Consolidated 2020 $	Consolidated 2019 $
Balances as above	2,994,171	1,436,682
Bank overdraft (note 19)	-	(764,511)
Balance as per statement of cash flows	2,994,171	672,171

Note 11. Current assets - trade and other receivables

	Consolidated 2020 $	Consolidated 2019 $
Trade receivables	5,539,586	3,243,844
Less: Allowance for expected credit losses	(139,714)	-
	5,399,872	3,243,844
Other receivables	139,353	5,016
Prepayments	558,753	365,622
Security deposits	48,018	32,123
	6,145,996	3,646,605

Allowance for expected credit losses
The Group has recognised a loss of $140,153 (2019: $1,055) in profit or loss in respect of the expected credit losses for the year ended 30 June 2020.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Carrying amount 2020 $	Carrying amount 2019 $	Allowance for expected credit losses 2020 $	Allowance for expected credit losses 2019 $
Not overdue	2,992,960	1,782,107	-	-
0 to 3 months overdue	2,146,007	1,258,925	30,043	-
3 to 6 months overdue	289,092	177,231	45,038	-
Over 6 months overdue	111,527	25,581	64,633	-
	5,539,586	3,243,844	139,714	-

Note 11. Current assets - trade and other receivables (continued)

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2020 $	Consolidated 2019 $
Opening balance	-	-
Additional provisions recognised	141,688	-
Foreign currency translation	(1,974)	-
Closing balance	139,714	-

Note 12. Current assets - contract assets

	Consolidated 2020 $	Consolidated 2019 $
Contract assets	374,578	201,797

Reconciliation
Movement in the contract assets during the financial year are as follows:

	Consolidated 2020 $	Consolidated 2019 $
Opening balance	201,797	-
Additions	1,090,502	785,643
Amounts recognised in profit and loss	(917,721)	(583,846)
Closing balance	374,578	201,797

Note 13. Current assets - investments

	Consolidated 2020 $	Consolidated 2019 $
Term deposit	272,076	272,076

The term deposit bears interest of 2% (2019: 4%) per annum and has a maturity of more than three months but less than one year.

Note 14. Non-current assets - property, plant and equipment

	Consolidated 2020 $	Consolidated 2019 $
Leasehold improvements - at cost	1,556,804	1,360,907
Less: Accumulated depreciation	(842,451)	(590,371)
	714,353	770,536
Plant and equipment - at cost	3,338,137	2,982,857
Less: Accumulated depreciation	(2,961,169)	(2,823,724)
	376,968	159,133
	1,091,321	929,669

Note 14. Non-current assets - property, plant and equipment (continued)

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

Consolidated	Leasehold improvements $	Plant and equipment $	Total $
Balance at 1 July 2018	870,522	166,633	1,037,155
Additions	121,924	140,894	262,818
Exchange differences	-	1,535	1,535
Depreciation expense	(221,910)	(149,929)	(371,839)
Balance at 30 June 2019	770,536	159,133	929,669
Additions	195,897	323,101	518,998
Depreciation expense	(252,080)	(105,266)	(357,346)
Balance at 30 June 2020	714,353	376,968	1,091,321

Note 15. Non-current assets - right-of-use assets

	Consolidated	
	2020 $	2019 $
Buildings - right-of-use	1,986,183	1,645,521
Less: Accumulated depreciation	(1,163,809)	(752,794)
	822,374	892,727
Plant and equipment - right-of-use	1,203,001	990,692
Less: Accumulated depreciation	(902,401)	(611,184)
	300,600	379,508
	1,122,974	1,272,235

The Group leases buildings for its offices under agreements of between two to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases plant and equipment under agreements of three years.

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

Consolidated	Buildings - right-of-use $	Plant and equipment right-of-use $	Total $
Balance at 1 July 2018	1,278,392	272,240	1,550,632
Additions	-	298,698	298,698
Depreciation expense	(385,665)	(191,430)	(577,095)
Balance at 30 June 2019	892,727	379,508	1,272,235
Additions	340,662	212,309	552,971
Depreciation expense	(411,015)	(291,217)	(702,232)
Balance at 30 June 2020	822,374	300,600	1,122,974

Note 16. Non-current assets - intangibles

	Consolidated 2020 $	Consolidated 2019 $
Goodwill - at cost	5,714,525	389,434
Development - at cost	7,065,982	4,532,802
Less: Accumulated amortisation	(3,114,704)	(1,946,952)
	3,951,278	2,585,850
Intellectual property - at cost	602,789	325,942
Less: Accumulated amortisation	(325,904)	(325,904)
	276,885	38
Customer contracts - at cost	1,166,649	-
Less: Accumulated amortisation	(24,041)	-
	1,142,608	-
Software - at cost	1,293,731	1,163,380
Less: Accumulated amortisation	(1,134,974)	(1,070,624)
	158,757	92,756
	11,244,053	3,068,078

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

Consolidated	Goodwill $	Development $	Intellectual property $	Customer contracts $	Software $	Total $
Balance at 1 July 2018	389,434	1,414,782	124	-	182,421	1,986,761
Additions	-	1,876,862	-	-	5,944	1,882,806
Amortisation expense	-	(705,794)	(86)	-	(95,609)	(801,489)
Balance at 30 June 2019	389,434	2,585,850	38	-	92,756	3,068,078
Additions	-	2,533,180	-	-	35,817	2,568,997
Additions through business combinations (note 36)	5,658,165	-	294,163	1,254,064	102,183	7,308,575
Exchange differences	(333,074)	-	(17,316)	(87,413)	(6,965)	(444,768)
Amortisation expense	-	(1,167,752)	-	(24,043)	(65,034)	(1,256,829)
Balance at 30 June 2020	5,714,525	3,951,278	276,885	1,142,608	158,757	11,244,053

Impairment test for goodwill
For the purpose of impairment testing, goodwill is allocated to each of the Group’s cash generating units (CGU), or groups of CGUs, that are expected to benefit from the synergies of the combinations. Each unit or groups of units to which goodwill is allocated represents the lowest level at which assets are monitored for internal management purposes. Prior to the acquisition of ACS (refer to note 36) the goodwill held was allocated to the Rest of the World ('ROW') CGU. The acquisition of ACS is expected to benefit the synergies of the North America operations and has been allocated to the North America CGU.

Note 16. Non-current assets - intangibles (continued)

The carrying amount of goodwill has been allocated to the CGUs as follows:

	Consolidated 2020 $	Consolidated 2019 $
North America	5,325,091	-
ROW	389,434	389,434
	5,714,525	389,434

The Group tests goodwill annually for impairment, or more frequently if there are indications that goodwill might be impaired. Based on the growth experienced in the ROW CGU, no impairment of goodwill has been identified. The goodwill associated with ACS and allocated to the North America CGU, arose when the business was acquired in the current year on 1 May 2020. Subsequent to the acquisition, ACS has continued to operate ahead of expectations and the Group is benefiting from the synergies of the combination in the North America CGU. The Directors believe the recoverable amount based on the fair value less costs to sell of the North America CGU is in excess of the carrying amount and no reasonable changes to key assumptions would lead to impairment.

Note 17. Current liabilities - trade and other payables

	Consolidated 2020 $	Consolidated 2019 $
Trade payables	1,619,908	275,359
Accrued expenses	3,020,597	1,383,742
Cash-settled share-based payments	2,973,201	216,346
	7,613,706	1,875,447

Refer to note 30 for further information on financial instruments.

For terms and conditions relating to cash-settled share-based payments, please refer to note 32.

Note 18. Current liabilities - contract liabilities

	Consolidated 2020 $	Consolidated 2019 $
Contract liabilities	167,812	153,856

Reconciliation
Movement in the contract liabilities during the financial year are as follows:

	Consolidated 2020 $	Consolidated 2019 $
Opening balance	153,853	-
Payments received in advance	86,834	153,853
Transfer to revenue	(72,875)	-
Closing balance	167,812	153,853

Note 19. Current liabilities - borrowings

	Consolidated 2020 $	2019 $
Bank overdraft	-	764,511
Bank loans	757,686	-
Shareholder loans	2,413,918	-
Other loans	29,506	-
Convertible notes payable	9,918,942	-
Related party loans	128,375	-
	13,248,427	764,511

Refer to note 24 for further information on assets pledged as security and financing arrangements.

Refer to note 30 for further information on financial instruments.

Bank loans
The bank loans are interest bearing and are due to mature on 21 September 2020. Interest is payable at the rate of 5% per annum.

Shareholder loans
The loans from shareholders are interest bearing and were due to mature on 30 September 2020. The loans from shareholders were renegotiated and are now maturing on the earlier of 45 days post the date of a successful IPO or divided into two tranches payable within 5 business days after 31 December 2021 ($1,613,918) and within 5 business days after 31 December 2022 ($800,000). Interest is payable at the fixed rate of 12% per annum. The Company successfully completed its Initial Public Offering (“IPO”) on the Australian Securities Exchange on 15 September 2020, in accordance with the agreement the Shareholder Loans will be settled 45 days post the date of a successful IPO.

Convertible notes
The Group raised $4,500,000 on 13 December 2019 through the issuance of 4,500,000 convertible notes and an additional $5,830,000 from entering into various convertible note subscription agreements ('debt notes') between 1 January 2020 and 25 June 2020. The convertible notes have a face value of $1.00 per note. The note has a fixed 8.00% coupon interest rate (accrued daily) and becomes repayable in cash on the 30 June 2021 (maturity date) or should a liquidity event (such as an IPO) occur before the maturity date, monies owing (being principal and interest accrued daily to the liquidity event) is converted into ordinary shares based on the following conversion discounts:

- If a liquidity event occurs on or before 30 June 2020, a 20% discount to the price per ordinary share (as determined by the company acting reasonably) paid under the liquidity event;
- a liquidity event occurs between 1 July 2020 and 31 December 2020, a 25% discount to the price per Ordinary share (as determined by the Company acting reasonably) paid under the liquidity event; and
- If a liquidity event occurs on and from 1 January 2021, a 30% discount to the price per ordinary share (as determined by the Company acting reasonably) paid under the liquidity event.

All of the above scenarios is subject to a pre-money valuation cap of $110,000,000 in aggregate for all equity securities. This is the valuation of all equity securities on which the appropriate conversion discounts shall apply if the valuation is in excess of the $110,000,000.

The contractual right to repay cash to the note holders matures on the 30 June 2021, thus the liability has been classified as current. The debt host contract (convertible note payable) has been measured at amortised cost and the derivative component has been measured at fair value through the profit and loss with such gains or losses presented in finance cost (see note 20). As the number of shares to be issued in the event of a liquidity event is variable and contingent upon the liquidity event itself, the derivative component has been classified as a financial liability.

On 15 September 2020 the Company successfully completed its Initial Public Offering (“IPO”) on the Australian Securities Exchange, with all convertible notes converting into ordinary shares.

Note 19. Current liabilities - borrowings (continued)

Related party loans
The payables to related parties are interest bearing and are due to mature on 1 October 2020. Interest is payable at the fixed rate of 5% per annum.

Note 20. Current liabilities - derivative financial instruments

	Consolidated	
	2020	2019
	$	$
Derivative financial instrument	3,017,593	-

Refer to note 30 for further information on financial instruments.

On initial recognition of the convertible notes payable, a derivative financial instrument of $648,390 has been recognised. The derivative financial instrument has been subsequently measured at the reporting period date, with changes in fair value of $2,369,203 being recognised in profit and loss and such gains or losses have been presented as finance costs.

Refer to note 31 for further information on fair value measurement.

Derivative financial instruments refers to the derivative component of the convertible notes as disclosed in note 19.

Note 21. Current liabilities - lease liabilities

	Consolidated	
	2020	2019
	$	$
Lease liability	660,762	739,116

Refer to note 30 for further information on the maturity analysis of lease liabilities.

Note 22. Current liabilities - provisions

	Consolidated	
	2020	2019
	$	$
Deferred consideration	5,565,085	-
Other provisions	1,754,780	1,379,908
	7,319,865	1,379,908

Deferred consideration
The provision represents the obligation to pay deferred consideration following the acquisition of a business or assets. It is measured at the present value of the estimated liability. The deferred consideration includes a deferred cash and equity amount of $2,771,915 and $2,793,170 respectively. The deferred cash consideration becomes payable on or around 45 days from the liquidity event which occurred on the 15 September 2020 as part of the IPO. The deferred equity consideration has been classified as a financial liability as in a non-liquidity event scenario, it is settled in cash. As a result of the liquidity event which occurred on the 15 September 2020, the deferred equity consideration has been settled in ordinary shares.

Other provisions
The provision represents the best estimate of other provisions associated with the share based payment plan.

Note 22. Current liabilities - provisions (continued)

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

Consolidated - 2020	Deferred consideration $	Other provisions $
Carrying amount at the start of the year	-	1,379,908
Additional provisions recognised	-	374,872
Additions through business combinations (note 36)	5,913,172	-
Currency translation difference	(348,087)	-
Carrying amount at the end of the year	5,565,085	1,754,780

Note 23. Non-current liabilities - trade and other payables

	Consolidated 2020 $	Consolidated 2019 $
Accrued interest payable	-	469,917

Refer to note 30 for further information on financial instruments.

Note 24. Non-current liabilities - borrowings

	Consolidated 2020 $	Consolidated 2019 $
Shareholder loan	-	800,000
Related party loans	384,034	-
	384,034	800,000

Refer to note 30 for further information on financial instruments.

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated 2020 $	Consolidated 2019 $
Bank overdraft	-	764,511
Bank loans	757,686	-
	757,686	764,511

Assets pledged as security
The bank overdraft and loans are secured by a term deposit with a balance of approximately $1,300,000.

Shareholder loans are unsecured but will rank in priority of payment to other unsecured creditors.

Note 24. Non-current liabilities - borrowings (continued)

The convertible notes payable are not secured, however, in the event that prior to the maturity date, the Group suffers any material adverse event which in the noteholder's opinion (acting reasonably) renders the Group unlikely to meet the redemption requirements, the noteholder may by notice to the Group, require it to promptly grant a general security over its assets and undertakings. The convertible notes payable rank in priority to any other equity securities.

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position, and would revert to the lessor in the event of default.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	2020	2019
	$	$
Total facilities		
Bank overdraft	1,000,000	1,000,000
Line of credit	919,513	-
	1,919,513	1,000,000
Used at the reporting date		
Bank overdraft	-	764,511
Line of credit	757,686	-
	757,686	764,511
Unused at the reporting date		
Bank overdraft	1,000,000	235,489
Line of credit	161,827	-
	1,161,827	235,489

Note 25. Non-current liabilities - lease liabilities

	Consolidated	
	2020	2019
	$	$
Lease liability	1,129,896	1,277,571

Refer to note 30 for information on the maturity analysis of lease liabilities.

Note 26. Non-current liabilities - provisions

	Consolidated	
	2020	2019
	$	$
Lease make good	265,352	265,352

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Note 27. Equity - issued capital

	Consolidated			
	2020 Shares	2019 Shares	2020 $	2019 $
Ordinary shares - fully paid	96,200,980	96,200,980	8,980,031	8,980,031

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

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

Subsequent to year end, the Company issued ordinary shares to convertible noteholders, in addition to issuing new shares as part of the IPO.

Capital risk management
The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2019 Annual Report.

Note 28. Equity - reserves

	Consolidated	
	2020 $	2019 $
Foreign currency translation reserve	(22,863)	14,600
Employee share scheme reserve	8,308,142	7,382,745
Employee share option reserve	386,330	35,296
	8,671,609	7,432,641

Foreign currency translation reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Employee share scheme ('ESS') reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration.

Employee share option reserve
The reserve is used to recognise the value of share options benefits provided to employees and directors as part of their remuneration.

Note 28. Equity - reserves (continued)

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency translation reserve $	Employee share scheme reserve $	Employee share option reserve $	Total $
Balance at 1 July 2018	10,490	6,590,717	-	6,601,207
Foreign currency translation	4,110	-	-	4,110
Share-based payments	-	792,028	35,296	827,324
Balance at 30 June 2019	14,600	7,382,745	35,296	7,432,641
Foreign currency translation	(37,463)	-	-	(37,463)
Share-based payments	-	925,397	351,034	1,276,431
Balance at 30 June 2020	(22,863)	8,308,142	386,330	8,671,609

Note 29. Equity - dividends

Dividends

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

Franking credits

	Consolidated 2020 $	Consolidated 2019 $
Franking credits available for subsequent financial years based on a tax rate of 27.5%	395,200	266,733

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 30. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by senior finance executives ('Finance') under frameworks approved by the Board of Directors ('the Board'). These frameworks include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk

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

Note 30. Financial instruments (continued)

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
Consolidated	**2020 $**	**2019 $**	**2020 $**	**2019 $**
Pound Sterling	1,002,290	446,377	3,159,403	1,917,107
Canadian dollars	462,041	142,439	2,732,641	1,120,798
Singapore dollars	202,462	-	751,192	-
US dollars	3,513,445	382,692	5,010,804	987,268
	5,180,238	971,508	11,654,040	4,025,173

The Group had net liabilities denominated in foreign currencies of $6,473,802 (assets of $5,180,238 less liabilities of $11,654,040) as at 30 June 2020 (2019: $3,053,665 (assets of $971,508 less liabilities of $4,025,173)). Based on this exposure, had the Australian dollars weakened by 5%/strengthened by 5% (2019: weakened by 5%/strengthened by 5%) against these foreign currencies with all other variables held constant, the Group's profit before tax for the year would have been $32,450 lower/$32,450 higher (2019: $15,307 lower/$15,307 higher) and equity would have been $22,715 lower/$22,715 higher (2019: $10,715 lower/$10,715 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date. The actual foreign exchange gain for the year ended 30 June 2020 was $625 (2019: loss of $1,335).

Price risk
The Group is not exposed to any significant price risk.

Interest rate risk
The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

As at the reporting date, the Group had the following variable borrowings outstanding:

	2020		2019	
Consolidated	**Weighted average interest rate %**	**Balance $**	**Weighted average interest rate %**	**Balance $**
Bank overdraft and bank loans	5.00%	757,686	5.00%	764,511
Net exposure to cash flow variable interest rate risk		757,686		764,511

An analysis by remaining contractual maturities in shown in 'liquidity and interest rate risk management' below.

For the Group the bank and shareholder loans outstanding, totalling $757,686 (2019: $764,511), are principal and interest payment loans. An official increase/decrease in interest rates of 100 (2019: 100) basis points would have an adverse/favourable effect on profit before tax of $7,577 (2019: $7,645) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts.

Note 30. Financial instruments (continued)

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk
Liquidity risk requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements
Refer to disclosure of unused borrowing facilities at the reporting date in note 24.

Subject to the continuance of satisfactory credit ratings, the bank overdraft facilities may be drawn at any time but may also be terminated by the bank without notice. The outstanding amount is payable on demand.

Note 30. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities (except as noted below) and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2020	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-interest bearing					
Trade payables	1,619,908	-	-	-	1,619,908
Cash-settled share-based payments	2,973,201	-	-	-	2,973,201
Interest-bearing - fixed rate					
Bank loans	757,686	-	-	-	757,686
Other loans	29,506	-	-	-	29,506
Shareholder loans**	2,450,068	-	-	-	2,450,068
Payable to related parties	249,734	249,734	170,298	-	669,766
Convertible notes payable*	13,503,820	-	-	-	13,503,820
Lease liability	931,134	795,681	102,042	-	1,828,857
Total	22,515,057	1,045,415	272,340	-	23,832,812

* The convertible notes payable represents both the embedded derivative and the debt host contract. On 15 September 2020 the Company successfully completed its IPO on the Australian Securities Exchange, with all Convertible Notes converting into ordinary shares.

** The loans from shareholders were due to mature on the earlier of 45 days post IPO ASX Listing Date or within 5 business days after 31 December 2021 ($1,613,918) and 31 December 2022 ($800,000). On 15 September 2020 the Company successfully completed its IPO on the Australian Securities Exchange, as such the shareholder loans will be settled out of the cash proceeds from the IPO.

Consolidated - 2019	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-interest bearing					
Trade payables	275,359	-	-	-	275,359
Cash-settled share-based payments	216,346	-	-	-	216,346
Interest-bearing - fixed rate					
Bank overdraft	764,511	-	-	-	764,511
Shareholder loans	96,000	96,000	944,000	-	1,136,000
Lease liability	921,908	931,134	897,724	-	2,750,766
Total	2,274,124	1,027,134	1,841,724	-	5,142,982

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 31. Fair value measurement

Fair value hierarchy

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

Consolidated - 2020	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Derivative financial instruments	-	-	3,017,593	3,017,593
Deferred consideration	-	-	5,565,085	5,565,085
Total liabilities	-	-	8,582,678	8,582,678

There were no transfers between levels during the financial year.

Valuation techniques for fair value measurements categorised within level 2 and level 3

Unquoted investments have been valued using a discounted cash flow model.

The derivative financial instrument and the deferred consideration is payable based on the timing of liquidity event (the IPO). The significant unobservable input related to the probability of the liquidity event (the IPO) have been assessed and discounting them to a present value.

The sensitivity analysis indicated a potential change in value whereby the derivative financial instrument and deferred consideration held as at 30 June 2020 would increase by $1,498,785 and $324,149 respectively if the probability and timing of IPO changed.

Level 3 assets and liabilities

Refer to note 22 for the movement in the deferred consideration. Movements in derivative financial instruments during the current and previous financial year are set out below:

Consolidated	Derivative financial instruments $
Balance at 1 July 2018	-
Balance at 30 June 2019	-
Amounts recognised at initial recognition	648,390
Amounts recognised in profit or loss	2,369,203
Balance at 30 June 2020	3,017,593

Note 32. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Deloitte Touche Tohmatsu, the auditor of the Company:

	Consolidated 2020 $	Consolidated 2019 $
Audit services - Deloitte Touche Tohmatsu		
Audit or review of the financial statements	160,250	60,000
Other services - Deloitte Touche Tohmatsu		
Preparation of the tax return	24,250	28,250
IPO and Due diligence costs	365,858	-
Other assurance services	100,500	-
Other services provided to overseas entities	17,427	-
	508,035	28,250
	668,285	88,250

Note 33. Contingent liabilities

The Group has given bank guarantees as at 30 June 2020 of $264,962 (2019: $264,962) to various landlords.

Note 34. Key management personnel disclosures

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

	Consolidated 2020 $	Consolidated 2019 $
Short-term employee benefits	689,379	497,114
Post-employment benefits	60,853	47,226
Long-term benefits	8,212	8,212
Share-based payments	781,836	370,221
	1,540,280	922,773

Note 35. Related party transactions

Parent entity
Access Innovation Holdings Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 37.

Key management personnel
Disclosures relating to key management personnel are set out in note 34.

Note 35. Related party transactions (continued)

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2020 $	Consolidated 2019 $
Payment for other expenses:		
Interest paid on shareholder loans	287,086	96,000
Interest paid on convertible notes	481,794	-
Fair value movement on embedded derivatives to director and related entities	1,523,145	-

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

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

	Consolidated 2020 $	Consolidated 2019 $
Current borrowings:		
Shareholder loan	2,413,918	-
Related party loans	73,515	-
Convertible notes to director and related entities	5,180,000	-
Non-current borrowings:		
Shareholder loan	-	800,000
Related party loans	223,961	-

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

Note 36. Business combinations

On 1 May 2020, the Group acquired 100% of the share capital of Alternative Communication Services LLC ('ACS') and PostCAP LLC (collectively known as ACS Group) for the total consideration of $6,683,071 (US$4,316,596). The acquired business contributed revenues of $2,360,493 and profit after tax of $122,768 to the Group for the period from 1 May 2020 to 30 June 2020. If the acquisition occurred on 1 July 2019, the full year contributions would have been revenues of $14,916,893 and profit after tax of $1,034,648. The values identified in relation to the acquisition are final as at 30 June 2020.

Details of the acquisition are as follows:

	Fair value $
Cash and cash equivalents	305,046
Trade receivables	1,347,150
Right-of-use assets	6,888
Intellectual property	294,163
Customer contracts	1,254,064
Software	102,183
Trade payables	(942,768)
Deferred tax liability	(377,476)
Bank loans	(332,869)
Lease liability	(6,888)
Related party loans	(593,235)
Other loans	(31,352)
Net assets acquired	1,024,906
Goodwill	5,658,165
Acquisition-date fair value of the total consideration transferred	6,683,071
Representing:	
Cash paid or payable to vendor	769,899
Deferred consideration	5,913,172
	6,683,071
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	6,683,071
Less: cash and cash equivalents acquired	(305,046)
Less: deferred consideration	(5,913,172)
Net cash used	464,853

Note 37. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest 2020 %	Ownership interest 2019 %
Access Innovation Media Pty Limited	Australia	100%	100%
Access Innovation IP Pty Limited	Australia	100%	100%
Ai-Media Employee Incentive Trust	Australia	100%	100%
Access Innovation Media UK Ltd	United Kingdom	100%	100%
-Ai-Media UK B Ltd *	United Kingdom	100%	100%
Ai Media Inc.	United States of America	100%	100%
-Alternative Communication Services LLC	United States of America	100%	-
-PostCAP LLC	United States of America	100%	-
Ai-Media Canada Inc.**	Canada	49%	100%
Ai-Media NZ Limited	New Zealand	100%	100%
Ai-Media SG Pte. Ltd	Singapore	100%	-

* Wholly-owned subsidiary of Access Innovation Media UK Ltd
** Ai Media Canada Inc is 100% consolidated into Access Innovation Holdings Limited as they share in 100% of the variable returns and are able to use their power to affect such returns

Note 38. Earnings per share

	Consolidated 2020 $	Consolidated 2019 $
Loss after income tax attributable to the owners of Access Innovation Holdings Limited	(12,741,152)	(3,882,599)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic loss per share	96,200,980	96,200,980
Weighted average number of ordinary shares used in calculating diluted loss per share	96,200,980	96,200,980
	Cents	**Cents**
Basic loss per share	(13.24)	(4.04)
Diluted loss per share	(13.24)	(4.04)

Options have been excluded in the 30 June 2020 and 30 June 2019 calculations as their inclusion would be anti-dilutive.

Note 39. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2020 $	Parent 2019 $
Loss after income tax	(7,554,590)	(288,764)
Total comprehensive income	(7,554,590)	(288,764)

Note 39. Parent entity information (continued)

Statement of financial position

	Parent 2020 $	Parent 2019 $
Total current assets	29,272,638	22,881,161
Total assets	30,754,782	22,887,065
Total current liabilities	17,773,240	2,358,030
Total liabilities	17,773,240	3,627,366
Equity		
Issued capital	8,980,033	8,980,031
Foreign currency translation reserve	10,282	10,282
Employee share scheme reserve	8,272,746	7,347,349
Employee share option reserve	386,330	35,296
Retained profits/(accumulated losses)	(4,667,849)	2,886,741
Total equity	12,981,542	19,259,699

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2020 and 30 June 2019.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 40. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2020 $	Consolidated 2019 $
Loss after income tax benefit for the year	(12,741,152)	(3,882,599)
Adjustments for:		
Depreciation and amortisation	2,316,407	1,750,423
Share-based payments	1,276,431	827,324
Non-cash items	(158,227)	636,205
Change in operating assets and liabilities:		
Increase in trade and other receivables	(1,152,241)	(854,552)
Increase in contract assets	(172,781)	(201,797)
Decrease/(increase) in income tax refund due	495,609	(494,320)
Decrease/(increase) in deferred tax assets	(3,055,804)	234,450
Increase in trade and other payables	4,328,158	496,595
Increase in contract liabilities	13,956	94,095
Increase in derivative liabilities	3,017,593	-
Decrease in provision for income tax	-	(1,263,976)
Decrease in deferred tax liabilities	(377,476)	-
Increase in employee benefits	398,637	434,716
Increase in provisions	36,785	263,800
Net cash used in operating activities	(5,774,105)	(1,959,636)

Note 41. Changes in liabilities arising from financing activities

Consolidated	Bank loans $	Shareholder loans $	Other loans $	Related party loans $	Convertible notes $	Lease liability $	Total $
Balance at 1 July 2018	-	800,000	-	-	-	1,817,887	2,617,887
Net cash used in financing activities	-	-	-	-	-	(702,797)	(702,797)
Acquisition of leases	-	-	-	-	-	901,597	901,597
Balance at 30 June 2019	-	800,000	-	-	-	2,016,687	2,816,687
Net cash from/(used in) financing activities	424,817	1,613,918	-	-	10,330,000	(779,000)	11,589,735
Acquisition of leases	-	-	-	-	-	552,971	552,971
Changes through business combinations (note 36)	332,869	-	31,352	593,235	-	-	957,456
Exchange differences	-	-	(1,846)	(80,826)	-	-	(82,672)
Net unamortised issue costs'	-	-	-	-	(411,058)	-	(411,058)
Balance at 30 June 2020	757,686	2,413,918	29,506	512,409	9,918,942	1,790,658	15,423,119

Note 42. Share-based payments

The Company's incentive program has been in place since 2013 and underpins a broader strategy of rewarding performance and retaining key talent.

The program is designed to assist in motivating and rewarding long term performance and teamwork towards the realisation of shared goals: growth in Ai-Media's social impact and business success, and growth of the value of the business and share price towards realisation of a Liquidity Event.

Note 42. Share-based payments (continued)

Participation is by invitation from the Board and those invited can make an application under the terms of the invitation materials and plan rules.

Each grant is subject to satisfaction of the relevant vesting conditions – including performance, service and occurrence of a Liquidity Event (such as an IPO). Prior to a Vesting Notice being given to a Participant, the Board must have determined that a Liquidity Event as defined in the plan rules has occurred.

No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights.

The share-based payment expense in relation to options and rights for 2020 is $1,276,431 (2019: $827,324).

Equity-settled share option plan

Set out below are summaries of options granted:

	Number of options 2020	Weighted average exercise price 2020	Number of options 2019	Weighted average exercise price 2019
Outstanding at the beginning of the financial year	9,892,250	$0.51	7,962,250	$0.38
Granted	1,095,000	$0.62	4,480,000	$0.72
Forfeited	(2,410,000)	$0.86	(2,550,000)	$0.45
Outstanding at the end of the financial year	8,577,250	$0.48	9,892,250	$0.51

The options outstanding at 30 June 2020 had a weighted average exercise price of $0.48 (2019: $0.51), and a weighted average remaining contractual life of 0.18 years. In 2020, options were granted in July, August, September and October 2019. The aggregate of the estimated fair values of the options granted on those dates is $933,296. In 2019, options were granted in November, December, February, March and April 2019.

The aggregate of the estimated fair values of the options granted on those dates is $3,225,600.

Cash-settled share-based payments

The Group issues to certain employees share appreciation rights (SARs) that require the Group to pay the intrinsic value of the SAR to the employee at the date of exercise. The Group has recorded liabilities of $2,973,201 and $216,346 in 2020 and 2019.

Set out below are summaries of SARs granted:

	Number of rights 2020	Weighted average exercise price 2020	Number of rights 2019	Weighted average exercise price 2019
Outstanding at the beginning of the financial year	1,570,000	$1.23	150,000	$0.72
Granted	1,460,000	$1.23	1,440,000	$0.72
Forfeited	(260,000)	$1.23	(20,000)	$0.72
Outstanding at the end of the financial year	2,770,000	$1.23	1,570,000	$0.72

Note 43. Events after the reporting period

On 15 September 2020 the Company successfully completed its Initial Public Offering ("IPO") on the Australian Securities Exchange raising a total of $65,480,526 from the additional issuance of 24,548,779 shares at an issue price of $1.23 per share ($30,194,999) and transfer of 28,687,420 shares at an issue price of $1.23 per share ($35,285,527) to new shareholders. The capital proceeds from the additional issuance of shares will be used to pursue the Group's strategic global growth objectives, repay all shareholder loans and fund IPO related costs.

On 15 September 2020, all the convertible notes were converted into ordinary shares.

Due to the impact of COVID-19, since 30 June 2020, Ai Media has seen increases in content requiring captioning. While some live events and some recorded media categories remain impacted, an accelerated shift towards virtual events and education resulting in increased demand for captioning from educational, government and non government organisations and corporate customers.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

In the directors' opinion:

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

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

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

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Anthony Abrahams
Director and Chief Executive Officer

30 September 2020

Deloitte Touche Tohmatsu
ABN 74 490 121 060
Grosvenor Place
225 George Street
Sydney, NSW, 2000
Australia

Phone: +61 2 9322 7000
www.deloitte.com.au

Independent Auditor's Report to the members of Access Innovation Holdings Limited

Opinion

We have audited the financial report of Access Innovation Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other 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 other explanatory information, and the directors' declaration.

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

(i) giving a true and fair view of the Group's financial position as at 30 June 2020 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for 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.

<table>
<tr><th>Key Audit Matter</th><th>How the scope of our audit responded to the Key Audit Matter</th></tr>
<tr><td>Identification and valuation of intangible assets in Business Combinations

As disclosed in Note 36, on 1 May 2020 the Group acquired 100% of the share capital of Alternative Communication Services LLC and Post CAP LLC for the total consideration of $6,683,071 (US$4,316,596). The values identified in relation to the acquisition are final as at 30 June 2020.

In relation to the Business Combinations, there is significant judgement relating to the determination of the fair value of identifiable intangible assets acquired.</td><td>Our procedures included, but were not limited to:

• Evaluated the design and implementation of the relevant controls over the identification and valuation of intangible assets in Business Combinations;

• Evaluated the competency and objectivity of management's expert used to identify and fair value the intangible assets acquired;

• Evaluated the criteria applied by management/management's expert when identifying intangible assets acquired;

• In conjunction with our valuation specialists, reviewed the valuation methodology applied when determining the fair value of identified intangible assets; and

• Assessed the appropriateness of the Group's disclosures of the intangible assets acquired in the Notes to the financial statements.</td></tr>
<tr><td>Convertible notes (derivative financial instruments)

As disclosed in Note 19, the Group raised $10,330,000 from entering into convertible note subscription agreements during the reporting period.

Accounting for convertible notes involves complexity in assessing the appropriate accounting treatment, including classification as debt or equity, presentation in the financial statements as well as the subsequent measurement of the individual components of the liability based on the terms and conditions of the agreement. This assessment included significant judgement linked to the probability of an initial public offering of securities proceeding and the share price of $1.23.</td><td>Our procedures included, but were not limited to:

• Obtained a copy of the debt host agreements and agreed the issue date back to management's schedule of debt instruments;

• Assessed the reasonableness of the market rate applied to the debt host contract component and validated the accuracy of the accrued interest;

• Selected a sample of convertible notes and agreed the date the funds were received to managements schedule and the bank statements;

• In conjunction with our valuation specialists, assessed the appropriateness of the valuation methodology applied including the valuation model inputs for the embedded conversion option; and

• Assessed the completeness and appropriateness of the disclosures in the Notes to the financial statements.</td></tr>
</table>

Other Information

The directors are responsible for the other information. The other information comprises Directors' Report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

Deloitte.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Joshua Tanchel
Partner
Chartered Accountants
Sydney, 30 September 2020

The shareholder information set out below was applicable as at 28 September 2020.

Shareholder Information required by the Australian Securities Exchange Limited (ASX) Listing Rules and not disclosed elsewhere in the Report is set out below.

In accordance with the 4th edition of the ASX Corporate Governance Council's Principles and Recommendations, the 2020 Corporate Governance Statement, as approved by the Board, is available on the Company's website at: https://www.ai-media.tv/corporate-governance/. The Corporate Governance Statement sets out the extent to which Access Innovation Holdings Limited has followed the ASX Corporate Governance Council's Recommendations during the 2020 financial year.

Distribution of equity securities

Analysis of number of equity security holders by size of holding:

	Number of holders of ordinary shares	Number of units held	% of units
1 to 1,000	378	274,603	-
1,001 to 5,000	1,255	3,979,447	3
5,001 to 10,000	541	4,320,910	3
10,001 to 100,000	575	13,203,187	9
100,001 and over	63	122,599,714	85
	2,812	144,377,861	100

	Minimum Parcel Size	Holders	Units
Unmarketable Parcels			
Minimum $ 500.00 parcel at $ 1.2300 per unit	407	53	16,146

On market buy-back

The Company is not currently conducting an on-market buy-back.

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	Ordinary shares % of total shares issued
PEARLIROSE PTY LTD	27,639,898	19.14
DEANNE WEIR	16,072,336	11.13
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,542,518	5.22
ANGELA ABRAHAMS + GEOFFREY ABRAHAMS	7,401,753	5.13
TYLER LEE PTY LTD	6,000,000	4.16
UBS NOMINEES PTY LTD	4,480,888	3.10
WALSH & COMPANY INVESTMENTS LIMITED < CVC EMERGING COMPANIES A/C >	4,334,886	3.00
NATIONAL NOMINEES LIMITED	3,796,759	2.63
ANZU APAC	3,793,000	2.63
ICONIC INVESTMENTS PTY LTD	3,765,994	2.61
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	3,504,818	2.43
CS THIRD NOMINEES PTY LIMITED < HSBC CUST NOM AU LTD 13 A/C >	3,140,795	2.18
ANGELA ABRAHAMS + GEOFFREY ABRAHAMS < G&A ABRAHAMS S/F A/C >	2,669,857	1.85
GREG SIRTES < SIRTES SUPER FUND A/C >	2,493,603	1.73
PHILIP A HYSSONG	2,322,880	1.61
BNP PARIBAS NOMS PTY LTD < DRP >	2,260,266	1.57
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,964,063	1.36
LEONIE JACKSON	1,687,500	1.17
WASHINGTON H SOUL PATTINSON AND COMPANY LIMITED	1,626,016	1.13
CITICORP NOMINEES PTY LIMITED	1,399,127	0.97
	107,896,957	74.75
Total Remaining Holders Balance	36,480,904	25.25

Unquoted equity securities
There are no unquoted equity securities.

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares Number held	Ordinary shares % of total shares issued
PEARLIROSE PTY LTD	27,639,898	19.14
DEANNE WEIR	16,072,336	11.13
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	7,542,518	5.22
ANGELA ABRAHAMS + GEOFFREY ABRAHAMS	7,401,753	5.13

The Company also has a technical relevant interest in approximately 93,640,206 ordinary shares as a result of voluntary escrow arrangements between the Company and relevant shareholders described in the Prospectus.

Voting rights
The voting rights attached to ordinary shares are set out below:

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

There are no other classes of equity securities.

Securities subject to voluntary escrow

Class	Expiry date	Number of shares
Ordinary shares	HY21 results date	13,173,907
Ordinary shares	FY21 results date	33,504,278
Ordinary shares	FY22 results date.	23,481,006
Ordinary shares	FY23 results date.	23,481,015
		93,640,206

Corporate Directory

Access Innovation Holdings Limited

ACN 122 058 708

Board of Directors

Deanne Weir

Non-Executive Director and Chair

Anthony Abrahams

Executive Director and Chief Executive Officer

John Martin

Non-Executive Director

Alison Loat

Non-Executive Director

Jonathan Pearce

Non-Executive Director

Company Secretary

Suzanne Sanossian

Registered Office

Level 6, 277 William Street
Melbourne VIC 3000

Principal place of business

Level 1, 103 Miller Street
North Sydney NSW 2000

Postal Address

PO Box 763
North Sydney NSW 2059

Tel: +61 2 8870 7700
Email: investorrelations@ai-media.tv

Website

www.ai-media.tv

Share Registry

Computershare Investor Services Pty Limited
452 Johnston Street
Abbotsford Vic 3067
Telephone: 1300 555 159 (Australia)
+61 3 9415 4062 (Overseas)
Website: www.computershare.com.au/investorcenter

Auditors

Deloitte Touche Tohmatsu
Grosvenor Place 225 George Street
Sydney NSW 2000

Stock Exchange

Australian Securities Exchange
Exchange Centre, 20 Bridge St, Sydney NSW 2000

ASX code

AIM

Annual report for the financial year ended

30 June 2020

Key dates

The Company will notify the ASX and investors when the date of the Annual General Meeting has been determined