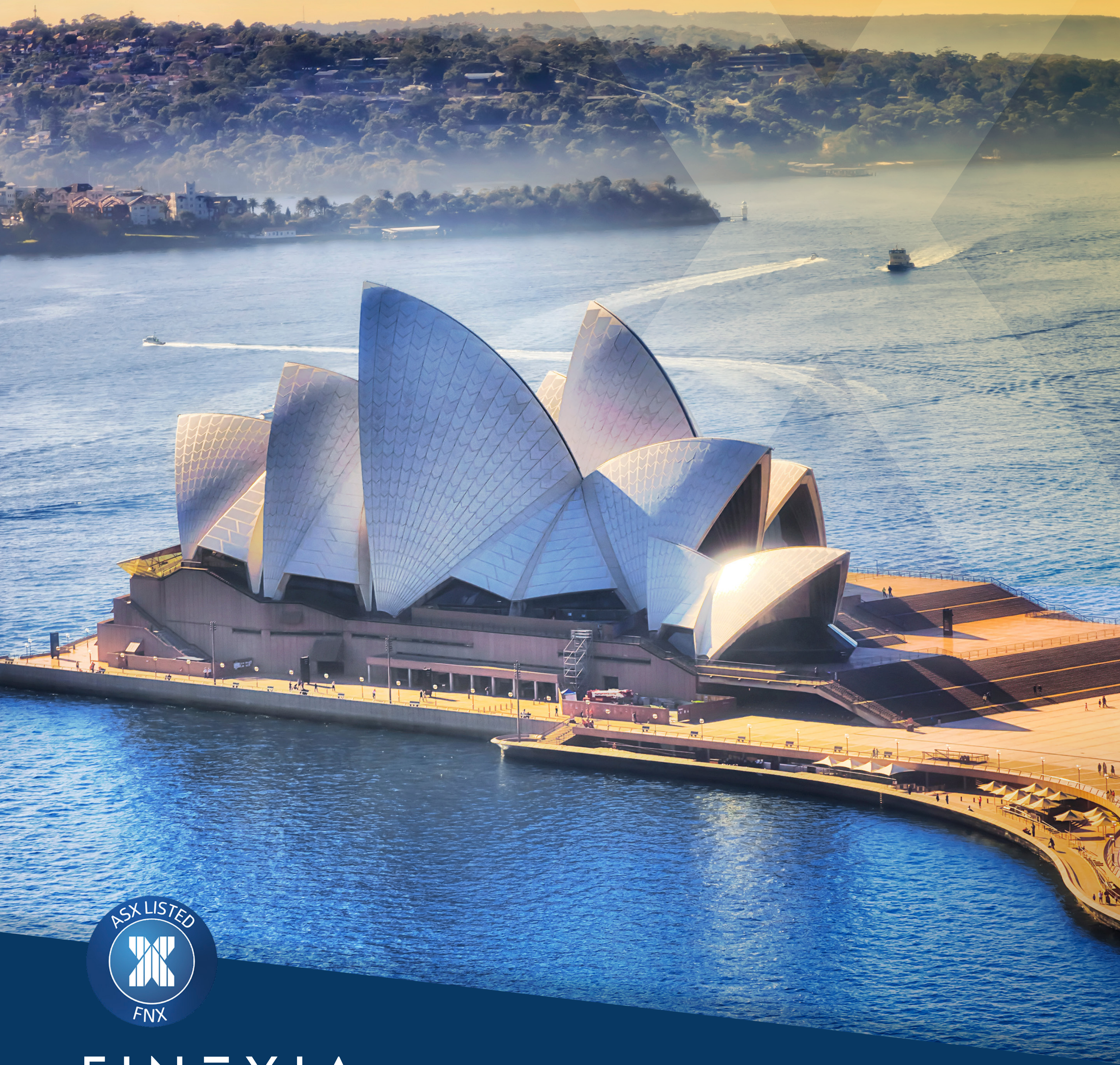
ANNUAL REPORT 2024

FINEXIA FINANCIAL GROUP LIMITED



ASX LISTED
FNX

FINEXIA

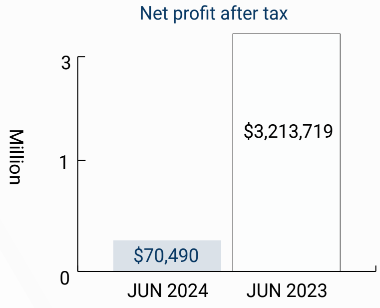
www.finexia.com.au

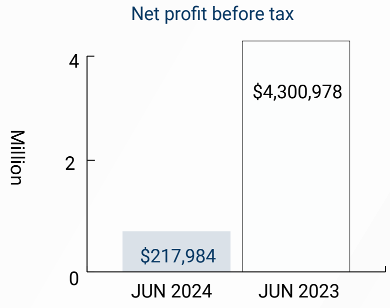
FINEXIA FINANCIAL GROUP LIMITED
ACN 106 760 418 | ASX:FNX

Level 18, Australia Square
264 George Street
Sydney NSW 2000

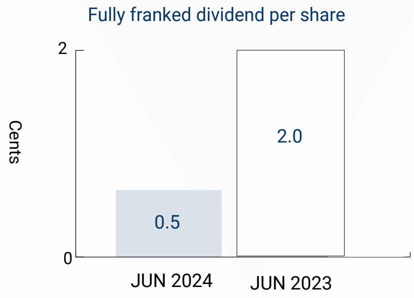
The **net profit after tax** for the full year ended 30 June 2024 was **$ 70,490** (2023: $3.2M)

The **net profit before tax** for the ended 30 June 2024 was **$217,984** (2023: $4.3M)

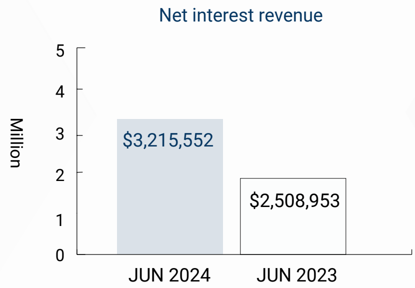




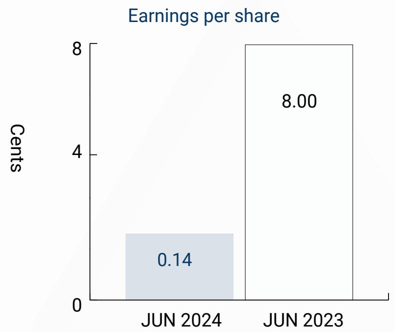
Finexia declared **fully franked dividend** of **0.5 cent per share**



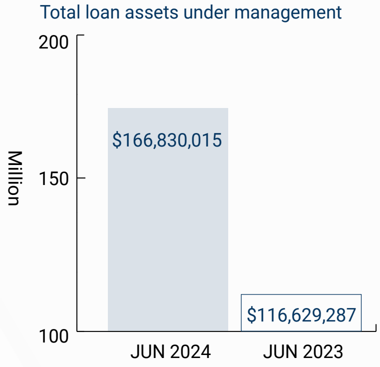
Net interest revenue $3.2M a 28.1% increase compared to the previous year (2023: $ 2.5M)



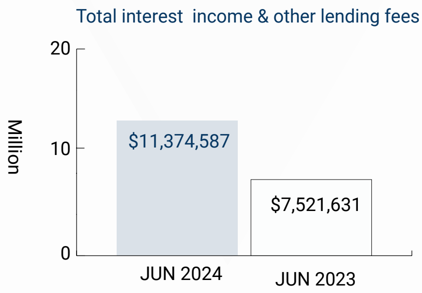
The **earnings per share** for the ended 30 June 2024 was **0.14 cents** (2023: 8.00 cents)



Total loan assets under management as at 30 June 2024 was **$166.8M an** increase of 43% (2023: $116.6M).



The Group's total **interest income** & **other lending fees** were **$11.4M,** a 51.2% increase compared to the previous year (2023: $7.5M)



The Group's **proprietary product distribution and related income for** 30 June 2024 was **$4.0M** (2023: $3.8M)

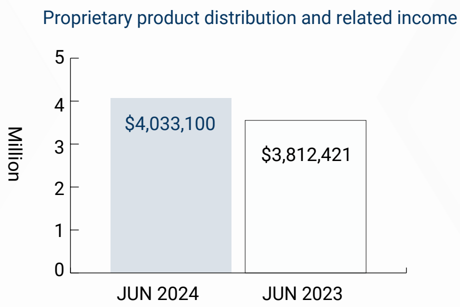


Table of Contents	Page
Chairman and CEO's Letter	5
Directors' Report	7
Auditor's Independence Declaration	17
Consolidated Statement of Profit or Loss And Other Comprehensive Income	18
Consolidated Statement of Financial Position	19
Consolidated Statement of Changes In Equity	20
Consolidated Statement of Cash Flows	21
Notes to The Consolidated Financial Statements	22
Consolidated Entity Disclosure Statement	47
Director's Declaration	48
Independent Auditors' Report	49
Additional ASX Information	53
Corporate Directory	54

Dear Shareholders,
On behalf of the Board of Directors, we are pleased to present the Annual Report for Finexia Financial Group Limited for the fiscal year ended 30 June 2024.

The 2024 financial year has been marked by significant progress for Finexia, while the net profit was down in comparison with FY23, we delivered a continuation of our strong sustainable growth in our loan and funds management activities as well as a marked shift in the source of our income, further demonstrating the Group's unwavering commitment to its stated private credit strategy.

The Key Financial Performance Metrics		
Operating Income	A$15.76M	(2023: A$14.83M)
Net Operating Profit (after tax)	A$70,490	(2023: A$3.21M)
Earnings per Share	A$0.0014	(2023: A$0.080)
Dividend per Share	A$0.005	(2023: A$0.02)

During the year the Group's total loan book grew by 43% to $166.8m at 30 June 2024, a strong endorsement of the attractiveness of loan and investment offerings. Since 30 June 2022, the business has grown its total loan book by 143%, with our internal resources scaling sustainably alongside, ensuring that our growth remains aligned with our risk management framework and operational capacities, while also largely preserving our net interest margin.

The Group's revenue increased by 6.27% in the year (2024 $15.76m -v- 2023 $14.83m), however, of greater significance is the pronounced change in the source and composition of the revenue over the period. Income generated through lending activities grew by 51% to $11.37m ($7.52m in 2023) while income from commission and brokerage from non-lending activities decreased by 71% (FY23 $2.3m to FY24 $0.684k), thus demonstrating the strategic pivot to private credit.

The total loan assets on our Balance Sheet grew to $58.4m from $24.7m in 2023 (up 136%). This was largely driven by continued momentum in demand for the Finexia Childcare Loan and includes the securitised note issuance. The note issue was successfully undertaken in conjunction with Income Asset Management (ASX: IAM) as lead manager, with a facility capacity of $50m (not yet fully utilised). The Finexia Childcare Income Fund sits within this lending and investment offering, and sits off our Balance Sheet but recognised in the total loan book of $166.8m.

Indicative of the credit quality originated within the business this year, despite an acceleration in loan assets (up 43%), impairments actually decreased (0.004% in FY24 -v- 1.005% in FY23) and the Net Interest Margin (NIM) including associated lending fees was largely preserved (4.59% in FY24 -v- 4.77% in FY23).

This year's net profit was impacted by an increase in our Employee, Corporate and Professional expenses which increased 39% on FY23. This expenditure was necessary for our future growth and was the result of a substantial investment in people and systems to adequately resource the business to grow its loan book this year (grew 43% this year) and beyond. We are confident that these investments will enhance efficiency and generate economies of scale, leading to increased profitability as we continue to scale.

Our focus on the Australian Childcare sector is expected to drive near-term revenue and profit growth, however, we will continue to explore other private credit opportunities independently and through partnerships. The Board believes the best approach for a business at our scale is to specialise in a select few thematics, with each specialisation leveraging the core services offered by the Group that are essential to all successful private credit operations. This will drive greater efficiencies and optimised performance. Furthermore, the Board believes that a focused specialisation strategy within a listed private credit business delivers a competitive advantage by improving transparency in risk management and broadening our capital access.

The securities and trading division continued to face challenges, namely reduced market liquidity, limited primary market opportunities and shifting consumer behaviour to online trading.

With respect to the overall result, the Group's direct investments such as the Finexia Childcare Income Fund and The Stay Company Income Fund (StayCo) contributed $4.03m of income to the top line. The Board remains vigilant to the challenges facing its various investments, regularly reviewing the Group's portfolio of businesses to ensure optimisation of the Group's assets for sustained future shareholder value accretion.

In 2024, an interim dividend of 0.5 cents was paid to shareholders at the half year, however, a final dividend has not been declared for the full year. The current dividend policy is under review by the Board with any decision on future dividends to be announced to the market at the appropriate time.

In conclusion, we would like to acknowledge and extend our gratitude to two key stakeholder groups: our staff, whose dedication and commitment have been instrumental in achieving the progress made this year, and our shareholders, whose continued support has been invaluable. The Board deeply appreciate your confidence in Finexia, and we look forward to continuing to deliver value for you in the years to come.

Neil Sheather

Neil Sheather
Executive Chairman and Director
Sydney, 23 August 2024

Patrick Bell

Patrick Bell
CEO and Executive Director
Sydney, 23 August 2024

Your Directors present their report together with the consolidated financial statements of the Group comprising of Finexia Financial Group Limited (the 'Company') and its subsidiaries for the financial year ended 30 June 2024 and the auditor's report thereon.

Directors

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

Directors	
Neil Sheather	Appointed 10 November 2014
Patrick Bell	Appointed 1 October 2020
Robert Spano	Appointed 1 February 2024
Jean Marc Li Kam Tin	Resigned 29 February 2024

Principal Activities

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

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

Financial Review

Key Financial Metrics:

- **Total income:** A$15.76 million (2023: A$14.83 million)
- **Interest income and other lending fees :** A$11.37 million (2023: A$7.52 million)
- **Net interest revenue:** A$3.22 million (2023: $2.51 million)
- **Net profit after tax:** A$70,490 (2023: A$3.21 million)
- **Cash profit after tax*:** A$1.55 million (2023: $3.30 million)
- **Loan assets:** A$58.46 million (2023: A$24.78 million)
- **Total Loans Under Management:** A$166.8m (this includes loans both on and off Balance Sheet) (2023: A$116.6m)
- **Earnings per Share:** 0.14 cents (2023: 8 cents)
- **Dividend per Share:** 0.5 cent (2023: 2 cents)

*Cash profit is calculated by adding back the movement in fair value adjustment of equity investments and prepaid interest income capitalised in the year ended 30 June 2024.

Total Loan book Reconciliation		$M 2023	$M 2024	Movement %
Creative Capital	On Balance Sheet	24.8	21.2	
Finexia Childcare Finance Trust	On Balance Sheet	-	37.3	
Total on Balance Sheet		24.8	58.5	136%
Finexia Childcare Income Fund	Off Balance Sheet	21.3	40.0	
Finexia Securities security-back lending	Off Balance Sheet	70.5	68.3	
Total Off-Balance Sheet		91.8	108.3	18%
Total loans under management		116.6	166.8	43%

Dividends

2024 - Dividend of 0.5 cent per share declared on 11 March 2024 and paid on 28 March 2024 totalling $246,264.
2023 - Dividend of 2 cents per share declared on 28 August 2023 and paid on 17 October 2023 totalling $959,311.
All dividends paid were fully franked, with full dividend reinvestment plan.

Significant changes in the state of affairs

The Group's revenue increased by 6.27% in the year ended 30 June 2024 from $14.83 million to $15.76 million. This growth is attributable to the pronounced change in the source and composition of the revenue over the period. Income generated through lending activities grew by 51% to $11.37 million (2023: $7.52 million) marking the strategic pivot to private credit.

As at 30 June 2024, the Group's loan assets have increased by 136% to $58.46 million compared to $24.78 million in 2023.

Likely developments

The Group continues to strengthen its private credit loan book by strategic opportunities with various stakeholders.

Matters subsequent to the end of the financial year

As of 1 July 2024, the Group has granted 1,500,000 performance rights each to Mr Neil Sheather and Mr Patrick Bell.

Other than the above, there was no other matter or circumstance that has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

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

Company secretary

Mr. Neil Sheather

Meeting of Directors

The number of meetings of the Company's Board of Directors held in the 12 months to 30 June 2024 and the number of meetings attended by each Director were:

	Directors Meetings	
	Eligible	Attended
Neil Sheather	3	3
Patrick Bell	3	3
Robert Spano	2	2
Jean Marc Li	2	2

Mr. Neil Sheather
Executive Chairman and Director
Age 54

(Appointed 10 November 2014)

Qualifications

- Master of Business Administration, Newcastle University
- Graduate Diploma of Applied Finance
- Several other postgraduate qualifications

Other current ASX Directorships	
K2 Asset Management Holdings Ltd (KAM:ASX)	Date Appointed 1 July 2023
	Date Ceased Continuing

Former ASX Directorships in last 3 years
None

Interests in shares and options as at the date of this report:

Ordinary fully paid shares	Options over ordinary shares
3,096,373	-

Bio

Mr. Sheather has held senior positions in the stockbroking industry for over 25 years, including Directorships, responsible executive, licensee and senior executive management roles.
More recently he has had responsibility and oversight of the Group's Funds and Asset Management operations. He is the current Chair of the Group's Credit and Investment Committee.

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

Mr. Patrick Bell
CEO & Executive Director
Age 50

(Appointed 1 October 2020)

Qualifications

- Bachelor of Business
- Master's of Business Administration, Monash University
- Diploma of Finance and Mortgage Broking

Other current ASX Directorships
None

Former ASX Directorships in last 3 years
None

Interests in shares and options as at the date of this report:

Ordinary fully paid shares	Options over ordinary shares
1,588,479	-

Bio

Mr Bell is an experienced corporate finance executive with over twenty years of experience in the financial services industry.
He has a wealth of experience in corporate lending and led senior roles at one of the major banking institutions in Australia for over ten years.
He brings with him extensive banking industry experience and knowledge in the commercial financing and private credit sector. His focus has been on managing complex lending transactions across a range of industries including property construction and development, childcare and tourism.

Mr. Robert Spano
Non- Executive Director
Age 63

(Appointed 1 February 2024)

Bio

Mr. Spano is a seasoned executive and director, boasting a remarkable 40-year tenure in the realms of corporate finance and credit markets, both in Australia and internationally. His expertise is not just limited to operations but also spans strategic aspects of the private credit markets. Mr. Spano's career is distinguished by numerous high-level executive roles and Directorships, notably his leadership as the CEO of Alleasing.

In a more recent venture, Mr. Spano, is playing a pivotal role as a principal shareholder in Bigstone Finance, and contributed significantly to its acquisition by Metric Credit Partners in 2021. He continues to hold a dual role as both a shareholder and a Director at Metric Credit Business Finance, underpinning his ongoing influence and commitment in the financial sector.

Other current ASX Directorships
None
Former ASX Directorships in last 3 years
None

Interests in shares and options as at the date of this report:

Ordinary fully paid shares	Options over ordinary shares
466,667	-

Mr. Jean Marc Li Kam Tin
Non- Executive Director
Age 47

(Resigned 29 February 2024)

Qualifications

- Master of Business Administration (Finance), Griffith University
- Master of Professional Accounting, Griffith University
- Entrepreneurship course, Harvard University

Other current ASX Directorships
None

Former ASX Directorships in last 3 years
None

Interests in shares and options as at the date of this report:

Ordinary fully paid shares	Options over ordinary shares
-	-

Bio

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

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

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

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

CEO & Director	Mr. Patrick Bell
Executive Director & Chairman	Mr. Neil Sheather
Non-Executive Director	Mr Robert Spano [1]
Non-Executive Director	Mr. Jean Marc Li Kam Tin [2]

[1] Appointed as Non-Executive Director on 1 February 2024
[2] Resigned as Non-Executive Director on 29 February 2024

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

Remuneration committee
The Group established a remuneration committee in September 2023, chaired by an independent member. The committee assesses the appropriateness of the nature and amount of remuneration of Directors and its senior managers on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality board and management team.

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

Structure
The Constitution and the ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the Directors as agreed. The present limit of approved aggregate remuneration is $400,000 per year.

The Board reviews the remuneration packages applicable to the Non-Executive Directors on an annual basis. The Board considers fees paid to Non-Executive Directors of comparable companies when undertaking the annual review process. It has been agreed that all Non-Executive Directors will be paid a fee between $60,000 and $80,000 annually, paid on a monthly basis. Non-Executive Directors may also be remunerated for additional services performed at the request of the Board.

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

Shares under Performance Rights

During and since the end of the financial year, share performance rights were granted to Directors of the Company and of its controlled entities as part of their remuneration. Details of performance rights granted to Directors and senior management.

Performance-based remuneration

The key performance indicators (KPIs) are set annually, which includes consultation with management personnel to ensure buy-in. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential to position the Group for future expansion and profit, covering financial and non-financial as well as short and long-term goals. Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved

Details of unissued share rights granted as at 30 June 2024 are:

Total share rights	Number of shares under Performance Rights Scheme	Class of shares	Exercise price	Expiry date
Approved in November 2023*	5,000,000	Ordinary	Various	Various
Lapsed as at 30 June 2024	-			
Total share rights (as at 30 June 2024)	5,000,000	Ordinary	Various	Various

*The share rights were approved at the AGM held on 24 November 2023.
- 1,500,000 options were approved to Neil Sheather
- 1,500,000 options were approved to Patrick Bell
- 2,000,000 shares were available to be granted to employees at Finexia.

Service agreements
Mr. Sheather has a formal employment agreement that continues indefinitely until termination. The current agreement provides for yearly remuneration of $400,000 plus superannuation, with a notice period of 12 months.

Mr. Patrick Bell has a formal employment agreement that continues indefinitely until termination. The current agreement provides for yearly remuneration of $400,000 plus superannuation, with a notice period of 12 months.

Mr. Spano has a formal agreement that is subject to re-election. The current agreement provides for yearly remuneration of $80,000.

Mr. Li had a formal agreement. The agreement was for a monthly remuneration of $5,000 per month.

The following tables outlines the remuneration arrangements in place for the Directors and key management personnel (KMP) of the Group both in 2024 and the prior year.

a. Details of remuneration

2023	Short-term	Post-employment benefits	Share-based payments	Total	Options as Percentage of Remuneration
	Director Fees and Salaries	Superannuation	Performance rights		
Name	$	$	$	$	%
Directors					
N Sheather	386,667	40,267	-	426,934	0%
J Li	58,000	-	-	58,000	0%
P Bell	394,528	41,425	-	435,953	0%
Total	**839,195**	**81,692**	**-**	**920,887**	0%
2024	**Short-term**	**Post-employment benefits**	**Share-based payments**	**Total**	**Options as Percentage of Remuneration**
	Director Fees and Salaries	**Superannuation**	**Performance rights**		
Name	**$**	**$**	**$**	**$**	**%**
Directors					
N Sheather	400,000	44,000	-	444,000	0%
P Bell	400,000	44,000	-	444,000	0%
R Spano	33,333	-	-	33,333	0%
J Li	45,000	-	-	45,000	0%
Total	**878,333**	**88,000**	**-**	**966,333**	0%

b. Shareholdings of Key Management Personnel

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

2023

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

* change is due to a reconstruction of capital (consolidation)

2024

Name	Opening Balance 1 July 2023	Purchased	Dividend reinvestment plan	Disposal	Closing Balance 30 June 2024
KMP	**Ordinary shares**				
N Sheather	2,093,327	838,457	164,589	-	3,096,373
P Bell	1,092,696	400,000	95,783	-	1,588,479
J Li	-	-	-	-	-
R Spano	166,667	300,000	-	-	466,667
Total	**3,352,690**	**1,538,457**	**260,372**	**-**	**5,151,519**

c. Share based compensation

The following grants of share-based payment compensation to Directors relate to the current financial year:

Name	Option Series	Number granted	Number vested	% of grant vested	Number forfeited	% of grant forfeited	% of compensation of the year consisting of options
N Sheather	Performance grant	-	-	-	-	-	-
P Bell	Performance grant	-	-	-	-	-	-
J Li	-	-	-	-	-	-	-
R Spano	-	-	-	-	-	-	-
Total		-	-	-	-	-	-

d. Other transactions and balances with Key Management Personnel

There were no director fees payable as at reporting date (2023: Nil).

There were no other transactions or balances with key management personnel, other than as reported within this report (2023: Nil).

Shares Issued as a Result of Exercise of Options
No shares of Finexia Financial Group Limited were issued during or since the end of the financial year ended 30 June 2024 as a result of the exercise of an option (2023: Nil).

Other Transactions
No other transactions were entered into with any member of Key Management Personnel other than those detailed in this Remuneration Report.

Voting at the 2023 Annual General Meeting
At the 2023 AGM, over 98% of the votes received supported the adoption of the Remuneration Report for the year ended 30 June 2023.

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

	2024	2023	2022	2021	2020
Profit/(loss)[1] attributable to owners of the Group ($)	70,490	3,213,719	3,290,442	1,268,746	(602,711)
Dividends paid (cents)	0.5	2.0	Nil	Nil	Nil
Share price at 30 June ($ /share)	0.255	0.2341	0.3116	0.3116	0.1335

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

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

End of Remuneration Report

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

To the extent permitted by law, the Company has agreed to indemnify its auditors, Forvis Mazars Assurance Pty Ltd, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Forvis Mazars Assurance Pty Ltd during the year ended 30 June 2024.

The Directors and officers of the Group have been insured against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The insurance premium paid was $24,843 and relates to:
- costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever the outcome;
- other liabilities that may arise from their position, with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

Proceedings on Behalf of the Company
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings other than as disclosed within this report.

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

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

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001.* The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:
- all non-audit services are reviewed by the board to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

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

	2024 $	2023 $
Audit services		
Forvis Mazars Assurance Pty Ltd		
- Audit and review of financial reports	150,000	122,550

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 17, and forms part of the Directors' report for the financial year ended 30 June 2024.

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

Neil Sheather

Neil Sheather
Executive Chairman and Director

Sydney, 23 August 2024

Level 11, 307 Queen Street
Brisbane Qld 4000
GPO Box 2268
Brisbane Qld 4001
Australia
Tel +61 7 3218 3900
forvismazars.com/au

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2024, there have been:

a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

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

FORVIS MAZARS ASSURANCE PTY LTD

M. J. Green
Director

Brisbane, 23 August 2024

Forvis Mazars Assurance Pty Limited
ABN 13 132 902 188
Authorised Audit Company No. 338599
Liability limited by a scheme approved under Professional Standards Legislation

	Notes	Consolidated 2024 $	Consolidated 2023 $
Continuing Operations			
Interest income & other lending fees		11,374,587	7,521,631
Interest expense		(8,159,035)	(5,012,678)
Net interest margin		3,215,552	2,508,953
Other operating income	2	4,388,176	7,309,093
Operating income		7,603,728	9,818,046
Operating expenses	3	(7,383,187)	(5,268,078)
Profit before credit impairment and income tax		**220,541**	**4,549,968**
Credit impairment (charge)/release		(2,557)	(248,990)
Profit before income tax		**217,984**	**4,300,978**
Income tax expense	4	(147,494)	(1,087,259)
Profit after tax for the year		**70,490**	**3,213,719**
Total comprehensive income for the year		**70,490**	**3,213,719**
Profit attributable to:			
Owners of the parent		70,490	3,213,719
Earnings Per Share			
Basic (cents)		0.14	8.00
Diluted (cents)		0.14	8.00
Dividend per ordinary share (cents)		0.50	2.00

The accompanying notes are an integral part of these consolidated financial statements.

	Notes	Consolidated 2024 $	2023 $
Assets			
Cash and cash equivalents	5	6,832,688	5,741,581
Trade and other receivables	6	3,602,626	3,164,097
Financial assets	7	39,996,294	44,674,047
Loan assets	8	58,458,875	24,780,285
Prepayments or other assets		73,268	110,224
Property, plant and equipment	12	1,373,822	1,096,871
Deferred tax assets	4	207,808	11,032
Intangibles	10	2,293,039	1,725,539
Total assets		**112,838,420**	**81,303,676**
Liabilities			
Trade and other payables	13	2,276,080	856,244
Current tax liabilities	4	1,088,338	1,153,093
Leases	9	370,592	102,508
Other liabilities		3,213	4,258
Loans and borrowings	14	92,294,482	62,299,970
Employee provisions		609,543	162,684
Total liabilities		**96,642,248**	**64,578,757**
Net assets		**16,196,172**	**16,724,919**
Equity			
Issued capital	15	15,255,120	14,648,781
Retained earnings		941,052	2,076,138
Total equity attributable to equity holders of the Company		**16,196,172**	**16,724,919**

The accompanying notes are an integral part of these consolidated financial statements.

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

Consolidated	Issued Capital $	Retained Earnings $	Total $
Balance at 1 July 2023	14,648,781	2,076,138	16,724,919
Profit attributable to members of the parent entity	-	70,490	70,490
Shares issue cost	-	-	-
Transactions with owners of the Company recognised directly in equity	-	-	-
Issue of shares	606,339	-	606,339
Dividends paid or provided for	-	(1,205,576)	(1,205,576)
Balance as at 30 June 2024	15,255,120	941,052	16,196,172

	Notes	Consolidated 2024 $	Consolidated 2023 $
Cash flow from operating activities			
Interest income		11,343,301	3,653,749
Interest and other finance costs		(8,159,035)	(4,760,898)
Distribution received		4,151,334	2,148,635
Receipts from customers		392,201	5,816,660
Payments to suppliers and employees		(4,780,085)	(4,982,620)
Loans movement		1,053,946	30,026,716
Payment for units in proprietary managed funds		(36,173,998)	(32,893,460)
Proceeds from sale of units in proprietary managed funds		35,287,011	-
Income tax paid		(400,000)	(494,944)
Net cash (used)/provided in operating activities	27	**2,714,673**	**1,486,162**
Cash flow from investing activities			
Payment for intangibles		(400,000)	-
Payments for property, plant & equipment		(35,218)	(33,002)
Net cash (used)/provided by investing activities		**(435,218)**	**(33,002)**
Cash flow from financing activities			
Proceed from/(Repayment of) leases		(139,111)	(135,855)
Payment of dividends		(1,049,238)	-
Issue of shares		-	4,675,413
Net cash (used)/provided in financing activities		**(1,188,349)**	**2,586,216**
Net (decrease)/increase in cash held		1,091,107	3,020,394
Cash and cash equivalents at beginning of year		5,741,581	2,721,187
Cash and cash equivalents at end of year		**6,832,688**	**5,741,581**

The accompanying notes are an integral part of these consolidated financial statements.

1. General Information

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

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

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

1.2 Functional and Presentation currency

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

1.3 Material accounting information

Material accounting policy information is set out below

a. Revenue recognition

Rendering of services

Revenue arising from brokerage, commissions, fee income and corporate finance transactions are recognised by the Group as and when performance obligations have been satisfied, which is usually the trade date of the transaction.

b. Income tax

(i) Tax consolidation legislation

Finexia Financial Group Limited and its wholly owned Australian subsidiaries have implemented the tax consolidation legislation.

The head entity, Finexia Financial Group Limited, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right as a separate entity in the Group.
In addition to its own current and deferred tax amounts, Finexia Financial Group Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Finexia Financial Group Limited for any current tax payable assumed and are compensated by Finexia Financial Group Limited for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to Finexia Financial Group Limited under the tax consolidation legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

c. Property, plant and equipment

Properties, office, IT and other equipment (comprising fittings and furniture) are measured using the cost model, less subsequent depreciation and impairment losses.

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

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

d. Financial assets

Impairment of financial assets

The Group recognises lifetime expected credit losses (ECL) for trade receivables and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and general economic conditions.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when:

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

Financial liabilities

All financial liabilities are measured subsequently at amortised cost

e. Intangible assets

Recognition of intangible assets

Financial markets trading rights and licenses have an indefinite life and, as such, are not amortised but are subject to annual impairment testing.

f. Short-term and other long term employee benefits

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

g. New standards, interpretations and amendments issued but not yet effective

The Company has adopted all standards which became effective for the first time at 30 June 2024. The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Company.

h. New and revised accounting standards in Issue but not yet effective

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

AASB 18 Presentation and Disclosure in Financial Statements: to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss.

The Directors do not anticipate that the adoption of these Standards, along with other yet-to-be-adopted standards, will have a material impact on the Group's financial statements in future periods.

i. Critical accounting judgements, estimates and assumptions

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

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

(i) Business combinations
As part of the acquisition accounting for business combinations, where appropriate, management have determined the fair value of both the consideration transferred for the acquisition and the identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination. The calculation and allocation of fair values is based on evidence available to management at the time of the business combination and requires the use of estimates and judgements, including in respect of cash flow models. The recognition and measurement of amounts recorded at acquisition may remain provisional for up to twelve months from the date of acquisition due to the time necessarily required to resolve uncertainty and complete the initial accounting.

(ii) Share-Based Payments
The Group measures equity-settled share-based payment transactions by reference to the value of the equity instruments at the date at which they are grated. The fair value is determined by management using a Black Scholes option pricing model that uses estimates and assumptions. Management exercise judgement in preparing the valuations and these may affect the value of any share-based payments recorded in the financial report.

(iii) Estimates and assumptions
Fair valuation of financial assets at fair value through profit or loss

The Company may, from time to time, hold financial instruments that are not quoted in active markets, such as its financial assets at fair value through profit or loss. Where valuation techniques are used to determine fair values, they are validated and periodically reviewed by experienced personnel at the Company's management. The management's evaluation takes into consideration a business review of the underlying investments (performance development compared with plans) and the actual and planned transactions in the investments.

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of estimation depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. This results in management exercising significant assumption on the unobservable inputs being used for fair valuation. When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at a close price. If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

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

Estimated impairment of goodwill
The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of all cash generating units have been determined based on value-in-use calculations reported in continuing operations. In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Further information is included in Note 10.

Classification of borrowings
The Group has entered into borrowing agreements for the provision of funding facilities. The borrowing facilities are documented in borrowing facility agreements, the interpretation of which is key to the classification of borrowings as either current or non-current. The Group has exercised judgement in the interpretation of the terms and conditions of the borrowing facility agreements in determining the classification of debt as current or non-current. Further information is included in Note 14.

Impairment of loan
The loan assets are reviewed for impairment on a monthly basis. The security value against the loan provided are within the acceptable LVR as determined in the Company credit policy.

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

2. Other operating income

	Consolidated	
	2024	2023
	$	$
Proprietary product distribution	4,033,100	3,812,421
Commission and brokerage from non-lending activities	684,656	2,367,596
Other income	210,580	229,241
Gain/(loss) on sale of investment	(135,083)	293,806
Change in fair value of equity investments at fair value through profit or loss	(405,077)	606,029
Total	**4,388,176**	**7,309,093**

3. Operating expenses

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

	Consolidated	
	2024	2023
	$	$
Employee expenses	(3,046,425)	(2,443,980)
Corporate and professional expenses	(3,450,591)	(2,220,155)
Depreciation and amortisation	(613,492)	(306,921)
Product commissions	(252,627)	(267,147)
Finance expenses	(44,444)	(29,667)
Other expenses	24,392	(208)
Total	**(7,383,187)**	**(5,268,078)**

4. Income tax

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Group at 25% (2023: 25%) and the reported tax expense in profit or loss are as follows:

	Consolidated	
	2024	2023
	$	$
(a) Tax expense comprises:		
Current income tax:		
Current income tax charge	344,270	1,160,644
Deferred tax		
Deferred income tax relating to origination and reversal of temporary differences:	(196,776)	(73,385)
Income tax expense reported in the statement of profit or loss	**147,494**	**1,087,259**
(b) Accounting profit/(loss) before tax	**217,984**	**4,300,978**
Prima facie tax payable on profit from ordinary activities before income tax at 25% (2023 – 25%)	54,496	1,075,245
Non-deductible expenditure/non-assessable income	40,130	179
Movement in unrecognised deferred tax balances due to change in tax rate	-	-
Prior period under/over provision	52,868	11,835
Income tax (benefit)/expense	**147,494**	**1,087,259**
(c) Recognised Deferred Tax Balances		
Deferred tax asset	252,308	92,907
Deferred tax liability	(44,500)	(81,875)
Total	**207,808**	**11,032**
(d) Deductible temporary differences, unused tax losses and unused tax credits for which no deferred tax assets have been recognised are attributable to the following:		
Unrecognised deferred tax asset - losses	-	-
Unrecognised deferred tax asset/(liabilities) - other	-	-
Total	-	-
(e) Current tax liabilities		
Estimated tax payable to the ATO	1,088,338	1,153,093
Total	1,088,338	1,153,093

4. Income tax (continued)

(e) Deferred Tax assets and liabilitiesDeferred taxes arising from temporary differences and unused tax losses can be summarised as follows:

Consolidated Group 2024	Opening Balance ($)	Recognised in Profit or Loss ($)	Recognised in Equity ($)	Prior period unrecognised deferred tax brought into account ($)	Closing balance ($)
Deferred Tax liability					
Intangible Assets	(81,875)	37,375	-	-	(44,500)
Unrecognised DTL's – not brought to account	-	-	-	-	-
	(81,875)	**37,375**	**-**	**-**	**(44,500)**
Deferred Tax assets					
Trade & other receivables	-	-	-	-	-
Accruals and provisions	70,393	139,756	-	-	210,149
Other – Blackhole (Capital raising cost through equity)	12,188	-	(3,047)	-	9,141
Other – Blackhole	6,258	(1,564)	-	-	4,694
Right of use assets and lease liabilities	4,068	(1,909)	-	-	2,159
Unused tax losses	-	-	-	-	-
Unrecognised deferred tax assets – not brought to account	-	-	-	-	-
Borrowing cost	-	26,165	-	-	26,165
	92,907	**162,448**	**(3,047)**	**-**	**252,308**
Net DTA/(DTL)					**207,808**

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

5. Cash and cash equivalents	Consolidated	
	2024	2023
	$	$
Cash at Bank (i)	6,832,688	5,741,581
Total cash and cash equivalents	6,832,688	5,741,581
i) Reconciliation to cash and cash equivalents at the end of the financial year:		
The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows		
Balances as above	6,832,688	5,741,581
Balances per statement of cash flows	6,832,688	5,741,581
Total	**6,832,688**	**5,741,581**

6. Trade and other receivables	Consolidated	
	2024	2023
	$	$
Trade receivables (i)	2,991,907	2,653,589
Contract assets (accrued income)	296,582	139,956
Other	249,137	330,552
Deposits	65,000	40,000
Total	**3,602,626**	**3,164,097**

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

(ii) Expected Credit Loss Assessment

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

The following table provides information about the exposure to credit risk and ECLs on trade receivables:

2024	Weighted- average loss rate	Gross carrying amount	Loss allowance	Credit-impaired
Current (not past due)	0%	2,395,104	-	No
1-30 days past due	0%	6,667	-	No
31- 90 days past due	0%	20,192	-	No
More than 90 days past due	0%	569,944	-	No
Total		**2,991,907**	-	
2023	**Weighted- average loss rate**	**Gross carrying amount**	**Loss allowance**	**Credit-impaired**
Current (not past due)	**0%**	2,031,607	-	No
1-30 days past due	**0%**	11,056	-	No
31- 90 days past due	**0%**	19,186	-	No
More than 90 days past due	**0%**	752,094	-	No
Total		**2,813,943**	-	

A reconciliation of the movements in the impairment allowance account is as follows:	2024 $	2023 $
Opening balance	(248 ,990)	-
Impairment loss recognised	(10,557)	(248 ,990)
Reversal of impairment loss	8,000	-
Closing balance	**(251,547)**	**(248 ,990)**

7. Financial assets

Financial assets are classified at fair value through profit or loss. The investments comprised primarily of listed companies on the ASX and Malaysian Stock Exchange.

	Consolidated	
	2024 $	2023 $
Financial assets at fair value through profit or loss (level 1)		
ASX Listed equity securities (i) (ii)	325,202	250,802
Listed equity securities portfolio (i) (ii)	732,809	1,724,275
	1,058,011	**1,975,077**
Financial assets at amortised cost (level 1)		
Term Deposit	154,418	-
	154,418	-
Financial assets held at fair value through profit or loss		
Investment in unlisted companies (iii)	80,100	80,100
Investment in The Stay Company Income Fund (iv)	22,296,027	26,546,028
Investment in Finexia Childcare Income Fund (iv)	16,401,838	16,055,666
Others	5,900	17,176
	38,783,865	**42,698,970**
Total	**39,996,294**	**44,674,047**

i. *Classification of financial assets at fair value through profit or loss*
The Group classifies equity based financial assets at fair value through profit or loss if they are acquired principally for trading.

ii. *Amounts recognised in profit or loss*
Changes in the fair values of financial assets at fair value has been recorded through the profit or loss, and represent a loss of $405,077 for the year (2023: gain of $606,029). The investments are mainly located in Malaysia. Please refer to Note 19.

iii. *Investment in unlisted entity*
The Group holds shares in unlisted companies at fair value.

iv. *Investment in The Stay Company Income Fund & Investment in Finexia Childcare Income Fund*
Please refer to Note 24 – Related party transactions.

8. Loan assets	Consolidated 2024 $	Consolidated 2023 $
Loan assets – secured (i)	57,605,169	23,836,582
Loan to Dragonfly Biosciences Ltd - secured (ii)	544,980	803,613
Loan to Security-backed lending – secured (iii)	288,636	-
Loan to Rigs Recovery Pty Ltd – secured (iv)	20,090	140,090
Total	**58,458,875**	**24,780,285**

i. Creative Capital provides finance solutions to various enterprises. The loan liabilities are matched against the loan assets. The Group receives various fees on establishment and a net interest margin. The interest rates are between 4% to 20% and the loans terms are between 12 to 24 months. The Company takes security through registered first and second mortgages, personal guarantees, and security interest over the borrowers' assets.

ii. Finexia Securities Ltd has provided a secured loan facility to a third party, Dragonfly Biosciences Ltd, at an interest rate of 10% per annum. The loan is secured by the assets of the borrowing entity, and is payable upon demand.

iii. Finexia Securities Ltd has provided a margin loan secured against the client's equity portfolio. The interest rates equate to the overnight cash rate announced by the Reserve Bank of Australia.

iv. Finexia Securities Ltd has provided a secured loan facility to a third party, Rigs Recovery Pty Ltd, over a term of 12 months at an interest rate of 15% per annum. The loan is secured by personal guarantees and a general and registered security interest. The loan was fully repaid in July 2024.

9. Leases Amounts recognised in the balance sheet	Consolidated 2024 $	Consolidated 2023 $
Right-of-use assets*		
Lease - office	361,954	86,235
	361,954	**86,235**
*included in the line item "Property, plant and equipment" in the statement of financial position.		
Lease Liabilities		
Current	120.432	102,508
Non-current	250,160	-
	370,592	**102,508**
Depreciation charge of right-of-use assets		
Premises	131,476	129,350
	131,476	**129,350**
Interest expense for leases		
Interest expense	17,000	17,819
	17,000	**17,819**

The net cash outflow for leases for the period was $139,111 (2023 - $135,855).

The Group's leasing activities and how these are accounted for:

The Group leases an office in Sydney. The lease term will expire in February 2027 with an option to renew.

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

10. Intangible assets and goodwill
a. Reconciliation of carrying amount

2024	Goodwill	Customer trade mark, relationships and listing'	Trail book	License	Total
	$	$	$	$	$
Balance at 1 July 2023	1,365,039	47,500	280,000	33,000	1,725,539
Acquisition through business combinations	270,659	479,341	-	4,597	754,597
Amortisation	-	(9,500)	(140,000)	(37,597)	(187,097)
Impairment loss	-	-	-	-	-
Balance at 30 June 2024	1,635,698	517,341	140,000	-	2,293,039
2023	**Goodwill**	**Customer trade mark, relationships and listing'**	**Trail book**	**License**	**Total**
	$	**$**	**$**	**$**	**$**
Balance at 1 July 2022	1,365,039	57,000	420,000	-	1,842,039
Acquisition through business combinations	-	-	-	33,000	33,000
Amortisation	-	(9,500)	(140,000)	-	(149,500)
Impairment loss	-	-	-	-	-
Balance at 30 June 2023	1,365,039	47,500	280,000	33,000	1,725,539

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

Useful life	Based on an assessment of the history of customer relationships. Brokerage trail commissions and SMSF administration fees have historically been derived from recurring customers. Management has determined an average customer life of 10 years as reasonable for the valuation of customer relationships.

c. Impairment test
Impairment testing for Cash Generating Unit (CGU) containing goodwill for Finexia has been grouped with Finexia Securities Ltd.
For the purposes of impairment testing, goodwill has been allocated to Finexia Plus and grouped with Finexia Securities as a CGU.
The recoverable amount of this CGU was based on value in use, estimated using discounted cash flows. The key assumptions used in the estimation of the recoverable amount are set below. The values assigned to the key assumptions have been taken from an independent report.

	2024	2023
Discounted rate	15%	12%
Terminal value growth rate	1.4%	Nil

The discounted rate was a pre-tax measure estimated based on the weighted-average cost of capital which is 15%. The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate was determined based on the expert valuation of the long-term compound annual EBITDA growth rate which is 1.4%, consistent with the assumptions that a market participant would make.
The key assumptions used in the cash flow forecast that are sensitive are as follows:

Valuation variable	Assumption
Future revenue	Actual revenue based on the 2024 financial year.
EBIT Margin	Normalised EBIT margin of 21% (2023: 16%) based on an assessment of the average normalised EBIT margin for FY24.
Discount Rate	At acquisition date, a discount rate range of 15% to 20% as appropriate for the valuation of customer relationships. A discount rate of 15% has been determined.

10. Intangible assets and goodwill *(continued)*

Sensitivity analysis

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

	Change required for carrying amount to equal the recoverable amount	
	2024	2023
Pre-tax discount rate	473.0%	25.5%
Budgeted EBIT margin	6.7%	20.0%

Impairment testing for Cash Generating Unit (CGU) containing goodwill for Creative Capital Group (CCG)
For the purposes of impairment testing, goodwill has been allocated to CCG.
The recoverable amount of this CGU was based on value in use, estimated using discounted cash flows.
The key assumptions used in the estimation of the recoverable amount are set below.
The values assigned to the key assumptions have been taken from an independent report.

	2024	2023
Discounted rate	15%	15%
Terminal value growth rate	1.4%	2%

The discounted rate was a pre-tax measure estimated based on the weighted-average cost of capital which is 15%. The cash flow projections included specific estimates for five years and a terminal growth rate thereafter. The terminal growth rate of 1.40% was determined based on the expert valuation of the long-term compound annual EBITDA growth rate, consistent with the assumptions that a market participant would make.
The key assumptions used in the cash flow forecast that are sensitive and are as follows:

Valuation variable	Assumption
Future revenue	Actual revenues based on the 2024 financial year.
EBIT Margin	Normalised EBIT margin of 50.3% (FY23: 40.0%) based on an assessment of the average normalised EBIT margin for FY24.
Discount Rate	At acquisition date, a discount rate range of 15% to 20% as appropriate for the valuation of customer relationships. A discount rate of 15% has been determined.

Sensitivity analysis

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

	Change required for carrying amount to equal the recoverable amount	
	2024	2023
Pre-tax discount rate	883.0%	124.0%
Budgeted EBIT margin	11.75%	4.0%

11. Acquisition of businesses

Everblu broking business acquisition
In December 2023, the Group has entered into a business purchase agreement to acquire and control the equities stockbroking and trading team from Everblu Capital. The acquisition is very complementary to the Company's existing Sydney based broking (securities dealing) business, bringing with it operational cost savings, increased scale in terms of revenue and active clients, along with a highly experienced team of brokers with decades of experience in investment markets.

The Everblu team of brokers has been integrated into Finexia's existing business. They bring with them an extensive client base, providing Finexia with additional channels to offer its existing services and products, specifically Private Credit opportunities including managed funds.

The consideration being paid for the purchase comprises a mix of cash and Finexia (FNX) shares with milestone progress payments hinged on agreed financial performance targets.

The total potential consideration is $1,100,000, of which $600,000 is being paid upfront representing approximately one time revenue and is comprised of:

- $200,000 in fully paid ordinary shares in Finexia Financial Group Ltd (FNX) issued at $0.40 per share (escrowed for 12-months)
- $200,000 in cash
- $200,000 invested in Finexia products.

The remaining consideration of $500,000 was deemed 'at risk' and unlikely to be paid.

The acquisition relates to the trading and stockbroking business of Everblu Capital Pty Ltd and not the legal entities or licenses associated with Everblu Capital Pty Ltd.

Fair value of identifiable assets acquired and liabilities assumed The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.	**$**
Cash and cash equivalents	-
Intangible assets	329,341
Mortgage assets	-
Listed investments and other assets	-
Loans and borrowings	-
Trade and other payables	-

Goodwill Goodwill arising from the acquisition has been recognised as follows:	**$**
Total consideration transferred	600,000
Cash component	400,000
Shares component (500,000 shares issued at $0.40 per share)	200,000
Contingent consideration	-
Fair value of identifiable assets	(329,341)
Goodwill	270,659

Yield Report acquisition
In January 2024, the Group acquired the Yield Report business from Sequoia Financial Group Ltd (ASX: SEQ) for 500,000 ordinary shares in FNX and formed a strategic relationship to jointly market each other's services to the financial planning and accountancy marketplace that each serve.

Yield Report provides an online news portal focusing solely on fixed income and yield securities which is a market that has seen an increased level of interest in as interest rates have risen across the globe. Yield Report provides financial planners, accountants, and its subscribers a weekly report.

Fair value of identifiable assets acquired and liabilities assumed The following summarises the recognised amounts of assets acquired and liabilities assumed at the acquisition date.	**$**
Cash and cash equivalents	-
Intangible assets	150,000
Mortgage assets	-
Listed investments and other assets	-
Loans and borrowings	-
Trade and other payables	-

Goodwill Goodwill arising from the acquisition has been recognised as follows:	**$**
Total consideration transferred (500,000 shares at $0.30 per shares)	150,000
Contingent consideration	-
Fair value of identifiable assets	(150,000)
Goodwill	-

12. Property, plant & equipment

The building will be depreciated over a period of 40 years and now serves as the corporate head office for the Group.

	Consolidated	
	2024	2023
	$	$
Land and buildings		
At cost	1,139,590	1,139,590
Less accumulated depreciation	(157,102)	(128,954)
	982,488	**1,010,636**
Plant and equipment		
At cost	35,218	-
Less accumulated depreciation	(5,838)	-
	29,380	-
Right of use asset		
At cost	407,195	388,052
Less accumulated depreciation	(45,241)	(301,817)
	361,954	**86,235**
Total	**1,373,822**	**1,096,871**

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

	Land and Buildings	Plant and Equipment	Right of use assets	Total
	$	$	$	$
Balance at 1 July 2023	1,010,636	-	86,235	1,096,871
Additions	-	35,218	407,195	442,413
Depreciation	(28,148)	(5,838)	(131,476)	(165,462)
Less: Right of use asset adjustment	-	-	-	-
Balance at 30 June 2024	982,485	29,380	361,954	1,373,822

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

13. Trade and other payables

	Consolidated	
	2024	2023
	$	$
Trade payables	685,437	344,767
Other payables and accruals	1,590,644	511,477
Total	**2,276,080**	**856,244**

14. Loans and borrowings

	Consolidated	
	2024	2023
	$	$
Cash deposit agreement (i)	7,562,431	4,260,408
Secured loans – mortgages (ii)	55,548,000	57,939,562
Bank Guarantee	100,000	100,000
Noteholder (iii)	29,084,051	-
Total	**92,294,482**	**62,299,970**

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

(ii) Creative Capital Group Pty Ltd provides finance solutions to various enterprises. The loan liabilities are matched against the loan assets. Creative Capital receives various fees on establishment and a net margin income. The interest rates are between 8% to 20% and the loans terms are between 12 to 24 months.

(iii) In October 2023 and April 2024, Finexia Childcare Finance Trust issued $30,000,000 notes and incurred $1,176,882 borrowing costs which will be amortised over three years.

15. Issued capital

	Consolidated			
	2024		2023	
	No. of shares	$	No. of shares	$
(a) Ordinary shares fully paid	49,843,253	15,250,549	47,965,577	14,651,829
(b) Movement in ordinary shares on issue				
Opening balance	47,965,577	14,648,781	162,107,105	9,973,368
Add: dividend reinvestment plan	527,676	156,339		
Add: Issue of shares	1,350,000	450,000	-	-
Share issue cost	-	-	-	12,188
Share consolidation	-	-	(129,685,611)	-
Right issues	-	-	15,544,083	4,663,225
Total	**49,843,253**	**15,255,120**	**47,965,577**	**14,648,781**

(c) Fully Paid Ordinary Shares
Fully Paid Ordinary Shares - participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At a shareholder meeting each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. There is no par value for fully paid ordinary shares.

(d) Shares under Option
During and since the end of the financial year, share options and performance rights were granted to Directors of the Company and of its controlled entities as part of their remuneration. Details of options and performance rights granted to Directors and senior management.

Details of unissued share rights authorised as at 30 June 2024 are:

Total share rights	Number of shares under Performance Rights Scheme	Class of shares	Exercise price	Expiry date
Approved in November 2023*	5,000,000	Ordinary	Various	Various
Lapsed as at 30 June 2024	-	-	-	-
Total share rights (as at 30 June 2024)	5,000,000	Ordinary	Various	Various

*The share rights were approved at the AGM held on 24 November 2023.
- 1,500,000 options were approved to Neil Sheather
- 1,500,000 options were approved to Patrick Bell
- 2,000,000 shares were available to be granted to employees at Finexia.

16. Earnings per share

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

	2024 $	2023 $
Profit for the year	70,490	3,213,719

	2024 Number	2023 Number
Weighted average number of shares used as the denominator (adjusted for the effect of the share consolidation and bonus element of the rights issue during the period).	48,898,735	40,154,264

17. Franking account balance **The amount of franking credits available for the subsequent financial year are:**	2024 $	2023 $
Franking account balance as at the end of the financial year at 25% (2023: 25%)	1,311,794	482,756
Franking credits that will arise from the payment of income tax payable as at the end of the financial year	291,401	1,148,809
Franking debits from the payment of interim dividends	(82,087)	(319,771)
Franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date	-	-
	1,521,108	1,311,794

18. Financial risk management

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

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

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

Foreign currency sensitivity
Most of the Group's transactions are carried out in $AUD. Exposures to currency exchange rates arise from transactions specific to overseas activities and are primarily denominated in US-Dollars ($USD).
The Group ensures its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary for transaction specific cash-flows.
The following illustrates the sensitivity of profit and equity in regard to the Group's financial assets and financial liabilities and the $USD/$AUD exchange rate 'all other things being equal'.

	Consolidated			
	Profit/(loss) For the year		Increase/(decrease) In equity reserves	
	10%	-10%	10%	-10%
Financial assets held in foreign market	$	$	$	$
30-Jun-24	43,102	(43,102)	-	-
30-Jun-23	159,006	(159,006)	-	-

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

Interest rate sensitivity
At 30 June 2024, the Group is exposed to changes in market interest rates of money market funds (cash and cash equivalents). The weighted average interest rates received cash and cash equivalents was 2% (2023: 4%).

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1%. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates (all are variable rate instruments). All other variables are held constant.

	Consolidated			
	Profit/(Loss) for the year		Increase/(decrease) in Equity Reserves	
	$	$	$	$
Cash and cash equivalents	1%	-1%	1%	-1%
30-Jun-24	68,327	(68,327)	-	-
30-Jun-23	57,416	(57,416)	-	-

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

	Consolidated			
	Profit/(Loss) for the year		Increase/(decrease) in Equity Reserves	
	$	$	$	$
Financial Assets	5%	-5%	5%	-5%
30-Jun-24	1,999,815	(1,999,815)	-	-
30-Jun-23	2,020,682	(2,020,682)	-	-

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

(b) Credit risk

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

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

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

	2024 $	2023 $
Classes of financial assets		
Cash and cash equivalents	6,832,688	5,741,581
Trade receivables	2,991,907	2,813,943
Deposits and other receivables	610,719	310,154
Mortgage assets	57,605,169	24,531,810
Other loan assets	853,706	943,704
	68,894,189	**34,341,192**
Neither past due nor impaired	2,395,104	2,031,607
Past due 1–30 days	6,667	11,056
Past due 31–90 days	20,192	19,186
Past due 91–120 days	569,944	752,094
	2,991,907	**2,813,943**

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

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

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

The allowance for impairment in respect of loan and other receivables during the year was as follows:

	2024 $	2023 $
Opening balance	248,990	-
Loan impairment loss reversed	(8,000)	248,990
Trade debtors written off	10,557	-
Closing balance	**251,547**	**248,990**

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

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

(c) Liquidity Risk

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

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

	2024 $	2023 $
Trade and other payables	2,276,080	856,244
Other liabilities	3,213	4,258
Loan and borrowings	92,294,482	58,039,562
Leases	370,592	102,508
Total	**94,944,367**	**59,002,572**

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Maturity Analysis of the Group's liabilities:	2024		2023	
	Less than 1 year $	More than 1 year $	Less than 1 year $	More than 1 year $
Loan liabilities	24,820,000	30,728,000	24,584,122	6,280,624
Noteholders	-	29,084,050	-	-
Customer deposit	-	7,562,431	-	4,260,408
Other liabilities	-	100,000	-	100,000
Total	**24,820,000**	**67,474,482**	**20,589,562**	**37,450,000**

19. Fair value measurement

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three (3) levels of a fair value hierarchy.

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

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

2024	Level 1 (i) $	Level 2 $	Level 3 $	Total $
Classes of financial assets				
Listed equities	325,202	-	-	325,202
International listed equities portfolio	732,809	-	-	732,809
Term Deposit	154,418	-	-	154,418
Finexia Stay Company Income Fund	-	-	22,296,027	22,296,027
Investment in Childcare Fund	-	-	16,401,838	16,401,838
Investment in unlisted entities	-	-	86,000	86,000
	1,212,429	-	**38,783,865**	**39,996,294**

2023	Level 1 (i) $	Level 2 $	Level 3 $	Total $
Classes of financial assets				
Listed equities	250,802	-	-	250,802
International listed equities portfolio	1,724,275	-	-	1,724,275
Finexia Stay Company Income Fund	-	-	26,546,028	26,546,028
Investment in Childcare Fund	-	-	16,055,666	16,055,666
Investment in unlisted entities	-	-	97,276	97,276
	1,975,077	-	**42,698,970**	**44,674,047**

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

The fair value movement for the year is a net fair value loss of **$405,077** (2023: gain of $606,029).

(i) There have been no transfers between the levels of the fair value hierarchy during the twelve (12) months to 30 June 2024. There have been no transfers between the levels of the fair value hierarchy during the twelve (12) months to 30 June 2024.

20. Segment information

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

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

- Private Credit
- Funds and Asset Management
- Stockbroking and corporate advisory.

	Stockbroking and corporate advisory		Managed investment funds		Private credit		Unallocated		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	$	$	$	$	$	$	$	$	$	$
External revenue	**549,574**	2,661,402	**4,033,100**	3,812,421	**11,374,587**	7,521,631	**210,580**	229,242	**16,167,840**	14,224,696
Other revenue	-	-	-	-	-	-	-	-	-	-
Rental income	-	-	-	-	-	-	**179,011**	153,909	**179,011**	153,909
Other income	-	-	-	-	-	-	**31,570**	75,333	**31,570**	75,333
Other non-cash movements	-	-	-	-	-	-	-	-	-	-
Change in fair value of investments	**(405,077)**	606,029	-	-	-	-	-	-	**(405,077)**	606,029
Segment profit/(loss) before income tax	**(211,322)**	2,380,242	**4,033,100**	3,812,421	**2,059,793**	176,485	**(5,811,081)**	(3,155,428)	**70,490**	3,213,720
Reportable segment assets	**18,107,967**	10,439,724	**38,697,865**	42,601,693	**78,926,642**	35,717,220	**(22,894,054)**	(7,454,961)	**112,838,420**	81,303,676
Reportable segment liabilities	**8,020,619**	4,622,728	-	-	**67,208,686**	68,761,844	**21,412,943**	(8,805,816)	**96,642,248**	64,578,757

20. Segment information (continued) Reconciliations of reportable segment revenues and profit or loss	**2024** **$**	**2023** **$**
Revenues		
Total revenue for reportable segments	15,957,260	13,995,454
Fair value movements	(405, 077)	606,028
Unallocated revenues	210,580	229,242
Consolidated revenue	**15,762,763**	**14,830,724**
Profit/(Loss)		
Total profit/(loss) for reportable segments	5,881,571	6,369,148
Unallocated amounts		
Other revenue	210,580	229,242
Depreciation	(613,492)	(306,921)
Finance expenses	(44,444)	(29,668)
Net other corporate expenses	(5,216,231)	(1,960,822)
Income tax expense	(147,494)	(1,087,259)
Consolidated profit/(loss) before tax	**70,490**	**3,213,720**
Assets		
Total assets for reportable segments	135,732,474	88,758,637
Unallocated assets and eliminated	(22,894,054)	(7,454,961)
Consolidated total assets	**112,838,420**	**81,303,676**
Liabilities		
Total liabilities for reportable segments	75,229,305	73,384,573
Unallocated liabilities	21,412,943	(8,805,816)
Consolidated total liabilities	**96,642,248**	**64,578,757**

21. Remuneration of auditors During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:	**2024** **$**	**2023** **$**
Audit services		
Forvis Mazars Assurance Pty Ltd		
- Audit and review of financial reports	150,000	122,550

22. Commitments & Contingencies

(a) Capital commitments
There are no capital commitments as at 30 June 2024 (2023: Nil).

(b) Contingencies
There are no contingent liabilities as at 30 June 2024 (2023: Nil).

23. Key management personnel remuneration

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid to each member of the Group's key management personnel for the year ended 30 June 2024.

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

	2024 $	2023 $
Short-term employee benefits	888,000	840,787
Post-employment benefits	321,896	73,138
	1,209,896	**913,925**

24. Related party transactions

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

Name of Related Party	Relationship	Nature of Transaction
Lucas & Co Advisors	Common Directorship	Directors' fees and accounting fees.
Stayco P2 Pty Ltd	Proprietary managed investment scheme	Service and management fees.
Stayco P3 Pty Ltd	Proprietary managed investment scheme	Service and management fees.
The Stay Company Income Fund	Proprietary managed investment scheme	Service fees, distribution income, and management fees. Investments.
Finexia Childcare Income Fund	Proprietary managed investment scheme	Service fees, distribution income, and management fees. Investments.
TR BB Pty Ltd	Common Directorship	Interest income and loan.

(b) Transactions with related parties

	Purchase		Sales		Owed by the Group		Owed to the Group	
	2024 $	2023 $	2024 $	2023 $	2024 $	2023 $	2024 $	2023 $
Associates								
Lucas and Co Advisors	161,200	245,224	-	-	-	14,828	-	-
Stayco P2 Pty Ltd	-	-	-	1,783,174	-	-	44,289	100,000
The Stay Company Income Fund	-	1,627	1,939,201	2,792,049	-	-	182,451	385,991
Stayco P3 Pty Ltd	-	-	-	103,920	-	-	-	113,020
Finexia Childcare Income Fund	-	-	3,086,172	645,378	-	-	993,470	329,900
Stayco Services Pty Ltd	-	-	5,910		-		72,501	-
TR BB PTY LTD	38,796	105,500	-	-	-	-	-	-
Total	**199,996**	**352,351**	**5,031,283**	**5,324,521**	**-**	**14,828**	**1,292,711**	**928,911**

(c) Loan to/from related parties

2024	Opening Balance	Closing Balance	Interest not charged	Interest paid/ payable	Impairment
Loans to/from related parties	**$**	**$**	**$**	**$**	**$**
Loan from TR BB Pty Ltd	890,000	-	-	38,796	-

(d) Investment in related parties

The Group holds direct investment in The Stay Company Income Fund. The wholesale fund was launched on 9 August 2021 and is an investment that aims to offer to sophisticated investors direct exposure to a portfolio of accommodation businesses located in key Queensland markets. The fund has been returning to investors between 8 to 12% p.a. via a monthly cash distribution. The fair value of the investment has been based on the unaudited positive net assets of the fund as at 30 June 2024.

The Group holds direct investment in Finexia Childcare Income Fund. The retail fund was registered on 13 April 2022 and is an investment that aims to offer to retail investors direct exposure to the Childcare industry. The fund has been returning to investors between 8% and 10.75% p.a. via a monthly cash distribution. The fair value of the investment has been based on the unaudited positive net assets of the fund as at 30 June 2024.

Consolidated	2024 ($)	2023 ($)
Investment in Finexia Stay Company Income Fund		
Beginning of the year	26,546,028	7,834,310
Application	-	20,317,318
Redemption	(4,250,000)	(1,605,600)
End of year	**22,296,028**	**26,546,028**
Investment in Finexia Childcare Income Fund		
Beginning of the year	16,055,666	-
Application	35,282,383	16,056,666
Redemption	(34,936,212)	-
End of year	16,401,837	16,055,666

25. Cash flow information

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

	Consolidated	
	2024 ($)	2023 ($)
Operating profit/(loss) after income tax	70,490	3,213,719
Non-cash items		
Depreciation and amortisation	352,559	306,921
Impairment of receivables	2,557	-
Gain on sale of investments	-	-
Finance costs/Interest paid – Leases	17,000	17,819
Change in fair value of investments at fair value through profit or loss	-	-
Non-cash items	100,424	-
Changes in assets and liabilities		
Decrease/(Increase) in receivables	(438,529)	(1,598,191)
Decrease/(Increase) in prepayment	36,956	197,352
Decrease/(Increase) in loan assets	(33,678,589)	(967,107)
Decrease/(Increase) in investment entities	4,653,173	(33,793,295)
(Decrease)/Increase in payables	1,419,836	(100,348)
(Decrease)/Increase in other liability	(1,044)	(459,665)
(Decrease)/Increase in employee provisions	446,859	110,495
(Decrease)/Increase in borrowing	29,994,512	30,993,823
(Decrease)/Increase in deferred tax liabilities	(196,776)	(85,573)
(Decrease)/Increase in income tax payables	(64,755)	677,888
Net cash generated/(used) in operating activities	2,714,673	(1,486,162)

25. Cash flow information *(continued)*

(b) Non-cash investing and financing activities

The Group had no non-cash investments and financing activities.

(c) Changes in liabilities arising from financing activities

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

	2024 $	Cashflows $	2023 $
Bank guarantee Loan	100,000	-	100,000
Finance Lease	(36,603)	(139,111)	102,508
Total liabilities from financing activities	**63,397**	**(139,111)**	**202,508**

	2023 $	Cashflows $	2022 $
Bank guarantee Loan	100,000	-	100,000
Finance Lease	102,508	(135,855)	238,363
Total liabilities from financing activities	**202,508**	**(135,855)**	**338,363**

26. Parent entity and subsidiaries

As at, and throughout, the financial year ended 30 June 2024 the parent entity of the Group was Finexia Financial Group Limited.

	2024 $	2023 $
Assets		
Current assets	4,385,852	4,693,813
Non-current assets	5,322,980	1,096,871
Total assets	**9,708,832**	**5,790,684**
Liabilities		
Current liabilities	10,555,140	762,017
Non-current liabilities	887,027	887,027
Total liabilities	**11,442,166**	**1,649,043**
Equity		
Issued capital	16,860,252	16,241,276
Dividend paid	(1,205,576)	-
Accumulated losses	(17,388,011)	(12,100,085)
Total equity	**(1,733,334)**	**4,141,641**
Loss for the year	(4,226,556)	(2,815,429)
Other comprehensive loss	-	-
Total comprehensive loss for the year	**(4,226,556)**	**(2,815,429)**

Subsidiaries of Finexia Financial Group Limited:	Principal Activity	Country of Incorporation	Percentage owned	
			2024 (%)	2023 (%)
Finexia Securities Ltd	Broking and financial services	Australia	100	100
Finexia Funds Management Pty Ltd	Broking and financial services	Australia	100	100
Strategic Investment Portfolios Pty Ltd	Broking and financial services	Australia	100	100
FNX Finance Group Pty Ltd	Broking and financial services	Australia	100	100
FNX Residential Finance Pty Ltd	Broking and financial services	Australia	100	100
Finexia Wealth Management Pty Ltd	Broking and financial services	Australia	100	100
Creative Capital Group Pty Ltd	Capital and lending solutions	Australia	100	100
Finexia Childcare Pty Ltd	Capital and lending solutions	Australia	100	100
CIF2 Pty Ltd	Trustee Company for sub-trust	Australia	100	100
The Stay Company Income Fund *	Wholesale investor fund	Australia	75.8	92.47
Finexia Childcare Income Fund*	Retail Managed Investment Scheme	Australia	43.02	77.34
Finexia Childcare Finance Trust	Capital and lending solutions	Australia	100	-
Stayco Services Pty Ltd	Management right service entity	Australia	100	100
Finexia Plus Pty Ltd	Dormant	Australia	100	100
Smart Money Super Pty Ltd	Dormant	Australia	100	100
Finexia Financial Group of California LLC	Dormant	Delaware, USA	100	100
Finexia Employee Incentive Plan Pty Ltd	Trustee of Employee share trust	Australia	100	-

* accounted for as investment.

27. Events subsequent to reporting date

As of 1 July 2024, the Group has granted 1,500,000 performance rights each to Mr Neil Sheather and Mr Patrick Bell.

Other than the above, there was no other matter or circumstance that has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

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

Basis of Preparation
The Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes required information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Determination of Tax Residency
Section 295(3A) of the *Corporations Act 2001* requires that the tax residency of each entity which is included in the CEDS be disclosed. In the context of each entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involved judgement as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.
In determining tax residency, the consolidated entity has applied the following interpretations:

- **Australian tax residency**
  The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.

- **Foreign tax residency**
  The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

Subsidiary name	Principal Activity	Trustee of a Trust or Partner in a partnership or participant in a joint venture?	Country of Incorporation	Percentage owned	Tax residency
Finexia Securities Ltd	Company	Trustee of a Trust	Australia	100	Australia
Finexia Funds Management Pty Ltd	Company	No	Australia	100	Australia
Strategic Investment Portfolios Pty Ltd	Company	No	Australia	100	Australia
FNX Finance Group Pty Ltd	Company	No	Australia	100	Australia
FNX Residential Finance Pty Ltd	Company	No	Australia	100	Australia
Finexia Wealth Management Pty Ltd	Company	No	Australia	100	Australia
Creative Capital Group Pty Ltd	Company	Trustee of a Trust	Australia	100	Australia
Finexia Childcare Pty Ltd	Company	No	Australia	100	Australia
CIF2 Pty Ltd	Company	Trustee of a Trust	Australia	100	Australia
The Stay Company Income Fund	Wholesale investor fund	No	Australia	75.8	Australia
Finexia Childcare Income Fund	Retail Managed Investment Scheme	No	Australia	43.02	Australia
Stayco Services Pty Ltd	Company	No	Australia	100	Australia
Finexia Plus Pty Ltd	Company	No	Australia	100	Australia
Smart Money Super Pty Ltd	Company	No	Australia	100	Australia
Finexia Childcare Finance Trust	Trust	No	Australia	100	Australia
Finexia Financial Group of California LLC	Company	No	USA	100	USA
Finexia Employee Incentive Plan Pty Ltd	Company	No	Australia	100	Australia

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

(a) the consolidated financial statements and notes thereto, set out on pages 15 to 59, and the Remuneration Report in the Directors Report, as set out on pages 11 to 15, are in accordance with the *Corporations Act 2001*, including:
(i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001;

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

(c) the consolidated entity disclosure statement is true and correct.

2. The Directors have been given the declarations required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer for the financial year ended 30 June 2024.

Signed in accordance with a resolution of the Directors made pursuant to s.295 (5) of the *Corporations Act 2001.*

Neil Sheather

Neil Sheather
Executive Chairman and Director

Sydney, 23 August 2024

Level 11, 307 Queen Street
Brisbane Qld 4000
GPO Box 2268
Brisbane Qld 4001
Australia
Tel +61 7 3218 3900
forvismazars.com/au

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

Report on the audit of the financial report

We have audited the accompanying financial report of Finexia Financial Group Limited ("Company"), and its subsidiaries ("Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of Finexia Financial Group Limited 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 2024 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* ("Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

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

Key audit matter	How we addressed the key audit matter
Revenue recognition (note 1(a), 2, and 6)	
Included in the consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2024 is $15.7 million relating to revenue, split between interest income and other operating income. Revenue related to investments and brokerage is recognised at the point in time when transactions occur, while revenue related to interest and funds management administration is recognised over the period the service is provided, in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers*.	Our procedures included, but were not limited to: a) Obtaining an understanding of and evaluating the processes and controls associated with the treatment of revenue. b) Performing analytical procedures for revenue and obtaining explanations from management. c) Performing detailed testing of a sample of invoices to assess the revenue recognition policies for

forv/s mazars

Key audit matter	How we addressed the key audit matter
Revenue recognition (note 1(a), 2, and 6)	
Due to the significance to the Group's financial report, we consider this to be a key audit matter.	appropriateness and for compliance with the recognition requirements of AASB 15. d) Assessing the adequacy of the disclosures included within the financial report.
Valuation of financial assets (note 1(d), 1(i), 2, 6, 7, 8, 18, and 19)	
The Group held financial assets as at 30 June 2024 which are significant to the Group. These financial assets comprise receivables (note 6), investments in listed and unlisted funds and equities (note 7), and loan assets (note 8). Management have valued these financial assets in accordance with AASB 9 *Financial Instruments* and AASB 13 *Fair Value Measurement* (where appropriate). These valuation assessments have reference to expected credit losses and quoted equity prices as at 30 June 2024 (as relevant to the asset type). This was a key audit matter because of the significance of financial assets to the Group's total assets, the significance of changes in fair value to the Group's profit before tax and the measurement of fair value at the reporting date.	Our procedures included, but were not limited to: a) Obtaining third party confirmations directly from fund/portfolio managers to confirm valuations at 30 June 2024. b) Assessing assets for expected credit losses, including assessing security and valuation arrangements. c) Performing an independent check of closing equity prices to externally available quoted pricing information and recalculating equity valuations and foreign currency translations at 30 June 2024. d) Examining the application and disclosures for compliance with Australian Accounting Standards, including AASB 9 *Financial Instruments* and AASB 13 *Fair Value Measurement*.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group 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 finding, 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.

forvis mazars

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in page 11 to 15 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Finexia Financial Group Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Forvis Mazars

FORVIS MAZARS ASSURANCE PTY LTD

M. J. Green
Director

Brisbane, 23 August 2024

The shareholder information set out below was applicable as at 12 August 2024.

a. Distribution of equity securities **Analysis of numbers of equity security holders by size of holding**	
No. of ordinary shares held	**No. of holders**
1 - 1,000	112
1,001 - 5,000	147
5,001 - 10,000	31
10,001 - 100,000	90
100,001 and above	70
Total	**450**

b. Equity Security Holders

The 20 largest registered holders of each class of quoted security as at 12 August 2024 were:

Fully paid ordinary shares

1	WAVET FUND NO 2 PTY LTD <WAVET SUPER FUND NO 2 A/C>	6,081,891	12.20%
2	MR SHIN YONG MARK CHEW	3,771,510	7.57%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	3,704,400	7.43%
4	BNP PARIBAS NOMINEES PTY LTD <CLEARSTREAM>	3,660,552	7.34%
5	SAMTYL INVESTMENTS PTY LTD	2,137,777	4.29%
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,127,988	4.27%
7	SAGE FORTUNES PTY LTD <SHEATHER FAMILY S/F A/C>	1,431,956	2.87%
8	EASTERN WORDS PTY LTD <CAPRI GROWTH A/C>	1,210,563	2.43%
9	P J BELL NO 1 PTY LTD <BELL FAMILY NO1 A/C>	1,188,479	2.38%
10	CASHPICK PTY LIMITED <IN GINTI WE A/C>	1,139,044	2.29%
11	LAZARUS CAPITAL LIMITED	1,025,205	2.06%
12	BEETON ENTERPRISES PTY LTD <THE SCOTT & SALLY BEETON A/C>	866,102	1.74%
13	LUSH INVESTMENTS PTY LIMITED <LUSH INVEST SUPER FUND A/C>	800,000	1.61%
14	LUSH INVESTMENTS PTY LTD	700,000	1.40%
15	NN CAPITAL PTY LTD	666,668	1.34%
16	QUALITY DISPENSERS SUPER FUND PTY LTD <QUALITY DISPENSERS S/F A/C>	650,000	1.30%
17	MR CONRAD DYLAN WILSON <WILSON FAMILY A/C>	638,152	1.28%
18	ASIABIO CAPITAL LIMITED	617,732	1.24%
19	SAGE CAPITAL GROUP PTY LTD	500,000	1.00%
19	MS NEVE FRANCES BELL	500,000	1.00%
19	CASHPICK PTY LIMITED <IN GINTI WE A/C>	500,000	1.00%
20	MR WONG SOON WOEI	500,000	1.00%
20	VANAVO PTY LIMITED	466,667	0.94%

Total number of shares on issue as at 12 August 2024 is **49,843,253**

C. Voting Rights

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

Ordinary shares

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

Options

No voting rights at meetings of members.

DIRECTORS CURRENT	Mr. Neil Sheather Mr. Patrick Bell Mr. Robert Spano
COMPANY SECRETARY	Mr. Neil Sheather
PRINCIPAL PLACE OF BUSINESS AND REGISTERED OFFICE	Level 18, Australia Square Tower Building 264 George Street, Sydney, NSW 2000
SHARE REGISTRY	Automic Level 29, 201 Elizabeth Street Sydney, NSW 2000 +61 8 9315 2333
AUDITOR	Forvis Mazars Assurance Pty Limited Level 11, 307 Queen Street Brisbane QLD 4000
SOLICITOR	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000
STOCK EXCHANGE LISTINGS	Finexia Financial Group Limited shares are listed on the Australian Securities Exchange. (ASX code: FNX)
WEBSITE ADDRESS	www.finexia.com.au

FINEXIA

www.finexia.com.au

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

FINEXIA SECURITIES LIMITED
ACN 608 667 778 | AFSL No. 485760

Level 18, Australia Square
264 George Street
Sydney NSW 2000

1300 886 103

info@finexia.com.au