Chant West
HOLDINGS LIMITED

30 August 2019

Appendix 4E

We are pleased to provide you with an update on the performance and progress of Chant West Holdings Limited (CWL). During the past financial year there has been significant growth and development throughout the business. Our vision to transform the organisation from a research and consulting firm to a data insights company remains the foundation upon which our strategy is built.

Customer revenue

Up by 11.7%

Financial results – strong operational performance

CWL's EBITDA for the year was $0.82m. This compares favourably to FY18 ($0.9m) after taking into account the significant reduction ($1.5m) in R&D grant income from FY18 ($1.7m) down to FY19 ($0.2m). The reduction is largely due to the termination of the Enzumo business's Sencillo project in FY17.

Cash Balance

Increased to $3.7m

The Group's strong operational result was driven by a growth in customer revenue and various cost savings measures. Customer revenue grew 11.7% to $8.2m (FY18 7.3m). The Group's consolidated cash balance at the end of the 2019 financial year was $3.7m. This is a substantial increase from the 2018 financial year end of $2.5m.

The Group's strong operating and financial position ensures that it is well placed to navigate the significant structural changes currently underway in the industry.

Positive EBITDA

$0.82m

Our transformation to a data insights company is on track

Last year we announced a change of strategic focus in response to the rapid pace of digitalisation transforming the industry which has driven an increase in client demand for API's and data analytics.

We are pleased to report that we commenced implementing our new strategic plan in FY19. As part of that strategy the Company introduced its first data analytics product to the market and new client subscriptions commenced in September 2018.

We also made significant progress with the launch of Chant West API Services. This is a new way for our clients to receive Chant West super,

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pension, and investment data in addition to our research reports and software tools. This has enabled us to adapt to the changing needs of our existing clients and attract new clients.

The strategic decision to invest in the development of new digital products and services contributed to the growth in customer revenue. We will continue to implement this strategy and focus on new opportunities to monetise our data.

Enzumo update

We are delighted to announce that our Enzumo business has reported a profit despite not receiving R & D grant income in FY19. The business successfully signed several new clients during the past 12 months and now supports over 5,500 XPLAN end users. We also have a strong pipeline of new business opportunities that are well advanced.

Finally, we would like to take this opportunity to thank our shareholders for their valued support and the CWL team for their passion and commitment to our strategy.

For further information contact

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Chant West

HOLDINGS LIMITED

Chant West Holdings Limited

Business Overview

Chant West Holdings Limited (the Group, ASX: CWL) is a leading provider of research, consulting and software services to the superannuation and financial planning industries. It comprises two core businesses – Chant West and Enzumo.

Chant West is a respected superannuation research and consultancy business that has operated for over 20 years. Its research is integrated into proprietary software tools that help industry professionals compare products and financial planners advise their clients on superannuation matters. Clients include major financial institutions, retail and non-profit superannuation funds, asset consulting firms and financial planning dealer groups. About 85% of revenue is subscription based and 15% comes from consultancy and other services.

Enzumo conducts in-depth analysis of financial planning businesses and creates tailored technology solutions to help them operate more efficiently and compliantly. Its services typically involve configuring and customising XPLAN software to meet a firm's specific business needs. This includes creating customised templates for fact finds, statements of advice, annual reviews and business workflows. Enzumo also offers e-learning management systems, which are cloud-based, interactive, instructional guides to help advisers optimise their use of XPLAN and Enzumo's advice technology products. About 60% of Enzumo's revenue is subscription based and 40% comes from consultancy services.

Overall, the Group's clients include the majority of Australia's leading superannuation funds, institutional wealth managers and financial planning dealer groups. More than 8,000 financial planners have access to our services.

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CHANT WEST HOLDINGS LIMITED & ITS CONTROLLED ENTITIES
ACN 119 383 578

RESULTS FOR ANNOUNCEMENT TO THE MARKET
ASX APPENDIX 4E AND PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

1. Reporting Period

Current Reporting Year - For the year ended 30 June 2019
Previous Reporting Year – For the year ended 30 June 2018

2. Results for Announcement to the Market

	June 2019 ($)	June 2018 ($)	Change ($)	Change (%)
Revenue from ordinary activities	8,384,159	9,010,636	(626,477)	(6.95)
(Loss) from ordinary activities after tax attributable to members	(371,756)	(1,658,822)	1,287,066	77.59
Net (loss) after tax for the year attributable to members	(371,756)	(1,658,822)	1,287,066	77.59
Earnings before interest, tax, depreciation, amortisation and impairment	821,594	919,154	(97,560)	(10.61)

Earnings Per Share	June 2019	June 2018
Basic earnings per share (cents)	(0.30)	(1.50)
Diluted earnings per share (cents)	(0.30)	(1.50)

Net Tangible Asset Backing	June 2019	June 2018
Net tangible assets per share (cents)	0.38	0.20

3. Financial Results

This report should also be read in conjunction with any public announcements made by Chant West Holdings Limited in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The information provided in this report contains all the information required by ASX Listing Rule 4.3A.

4. Dividends

The Company is not intending to pay a dividend in relation to the financial year ended 30 June 2019 and, at this stage, it is not intending to pay a dividend in relation to the financial year ended 30 June 2020.

5. Statement of profit or loss and other comprehensive income with notes

Refer to attached financial report.

6. Statement of financial position with notes

Refer to attached financial report.

7. Statement of changes in equity

Refer to attached financial report.

8. Statement of cash flows

Refer to attached financial report.

9. Segment results

Refer to attached financial report in Note 33 'Segment Reporting'.

10. Details of entities over which control has been gained or lost

Enzumo LMS Solutions Pty Ltd, which was wholly owned by the consolidated entity, was voluntarily deregistered during the year ended 30 June 2019.

11. Details of associates and joint venture entities

The consolidated entity had no associates or joint venture entities during the year ended 30 June 2019.

12. Other factors

Refer to attached financial report.

13. Commentary on the results

The operating loss after tax for the year was $371,756 (2018: loss of $1,658,822). The operating loss after tax includes an impairment of $14,621 (2018: impairment of $1,143,123).

Earnings before interest, tax, depreciation and amortisation (EBITDA) for the year was $821,594, which compares favourably to 2018: $919,154, after taking into account the significant reduction in R & D grant income from $1,693,323 in 2018 to $198,769 in 2019. The significant reduction in R & D grant income received was largely a result of the decision to terminate the Enzumo business's Sencillo project in 2017. The reduction in R & D grant income was also impacted by the impairment of Chant West's capitalised software development in the year ended 30 June 2018 of $1,136,463. The Group's strong operational result was driven by a growth in revenue from external customers and various cost savings measures. Revenue from external customers grew 11.7% year on year to $8,159,749 (2018: 7,305,791).

In 2018 the Group announced its change of strategic focus in response to the rapid pace of digitalisation transforming the superannuation industry. As part of the strategy, the Group introduced its first data analytic product to the market and subscription started in September 2018.

The Group also made significant progress with the launch of Chant West API Services. This is a new way for clients to receive Chant West super, pension, and investment data in addition to our research reports and software tools. This has enabled us to adapt to the changing needs of our existing clients and attract new clients.

The strategic decision by the company to continue to invest in the development of new products contributed to the growth in customer revenue. The Group will continue to implement this strategy and focus on new opportunities to monetise our data.

The Group's consolidated cash balance at the end of the 2019 financial year was $3,690,396. This is a substantial increase from the 2018 financial year end of $2,475,764. Net cash generated from operating activities was $1,923,862 (2018: $1,240,957). At the end of the financial year, the Group had consolidated net assets of $8,180,523 (2018: $8,434,621).

The Group's strong operating and financial position ensures that it is well placed to navigate the significant structural changes underway in the industry. The Group anticipates an increase in the number of independent financial advisors and reduction in the number of bigger institutional advisors in the market as a result of the Royal Commission.

14. Status of audit and description of likely disputes or qualifications

The attached financial report is in the process of being audited. No matters have arisen which would result in a dispute or qualification at this time and an unmodified audit report is expected to be issued.

Chant West
HOLDINGS LIMITED

Preliminary Financial Report

For the year ended 30 June 2019

Preliminary Financial Report

FOR THE YEAR ENDED 30 JUNE 2019

Contents

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Revenue from customers	33	8,159,748	7,305,791
R & D grant income	33	198,769	1,693,323
Interest income	33	25,392	11,522
Other income		250	-
Total revenue and other income		8,384,159	9,010,636
Less: Expenses			
Depreciation and amortisation	4	1,174,122	1,431,287
IT expenses	5	1,044,848	1,058,784
Employee benefits	6	4,612,359	4,899,663
Credit losses		-	750
Impairment of assets	4,13	14,621	1,143,123
Rent and outgoings		564,075	439,346
Professional fees		532,146	674,580
Marketing expenses		245,253	205,123
Share-based payment expenses	30	117,658	129,352
Finance costs		4,607	3,566
Other expenses		446,226	683,884
Total expenses		8,755,915	10,669,458
Net loss from ordinary activities before income tax		(371,756)	(1,658,822)
Income tax (expense) / benefit	7	-	-
Net loss for the year attributable to members of the parent entity		(371,756)	(1,658,822)
Other comprehensive income / (loss) for the year, net of tax		-	-
Total comprehensive loss for the year, net of tax		(371,756)	(1,658,822)
Earnings per share attributable to holders of ordinary shares:			
Basic (cents per share)	29	(0.30)	(1.50)
Diluted (cents per share)	29	(0.30)	(1.50)

The accompanying notes form part of these financial statements.

Statement of Financial Position

At 30 June 2019

	Note	2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	9	3,690,396	2,475,764
Trade and other receivables	10	880,279	790,657
Other assets	11	176,447	160,725
Total current assets		**4,747,122**	**3,427,146**
Non-current assets			
Property, plant and equipment	12	92,158	80,030
Intangible assets	13	7,713,341	8,190,361
Other assets	11	247,905	259,863
Total non-current assets		**8,053,404**	**8,530,254**
Total assets		**12,800,526**	**11,957,400**
Liabilities			
Current liabilities			
Trade and other payables	14	948,065	742,127
Contract liabilities	16	2,792,660	-
Provisions	17	437,186	336,532
Other liabilities	18	112,347	2,342,991
Total current liabilities		**4,290,258**	**3,421,650**
Non-current liabilities			
Provisions	17	99,993	93,819
Deferred tax liability	15	7,310	7,310
Other liabilities	18	222,442	-
Total non-current liabilities		**329,745**	**101,129**
Total liabilities		**4,620,003**	**3,522,779**
Net assets		**8,180,523**	**8,434,621**
Equity			
Issued capital	19	21,733,287	21,733,287
Reserves	22	292,863	177,552
Accumulated losses	22	(13,845,627)	(13,476,218)
Total equity		**8,180,523**	**8,434,621**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2019

	Issued Capital $	Accumulated Losses $	Reserves $	Total Equity $
Balance at 1 July 2017	20,196,153	(11,897,196)	128,000	8,426,957
Loss for the year	-	(1,658,822)	-	(1,658,822)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income / (loss) for the year	-	(1,658,822)	-	(1,658,822)
Issue of share capital	1,537,134	-	-	1,537,134
Share-based payments	-	-	129,352	129,352
Transfer from reserves to accumulated losses	-	79,800	(79,800)	-
Total transactions with owners and other transfers	1,537,134	79,800	49,552	1,666,486
Balance at 30 June 2018	21,733,287	(13,476,218)	177,552	8,434,621

For the year ended 30 June 2019

	Issued Capital $	Accumulated Losses $	Reserves $	Total Equity $
Balance at 1 July 2019	21,733,287	(13,476,218)	177,552	8,434,621
Loss for the year	-	(371,756)	-	(371,756)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income / (loss) for the year	-	(371,756)	-	(371,756)
Share-based payments	-	-	117,658	117,658
Transfer from reserves to accumulated losses	-	2,347	(2,347)	-
Total transactions with owners and other transfers	-	2,347	115,311	117,658
Balance at 30 June 2019	**21,733,287**	**(13,845,627)**	**292,863**	**8,180,523**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Receipts from customers		9,337,981	8,279,244
Payments to suppliers and employees		(7,935,746)	(8,611,109)
Government grant received		500,842	1,564,866
Interest received		25,392	11,522
Interest paid		(4,607)	(3,566)
Net cash generated from operating activities	24	**1,923,862**	**1,240,957**
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(51,885)	(49,455)
Purchase of intangible assets	13	(657,345)	(1,002,738)
Term deposit against bank guarantee		-	(233,008)
Net cash used in investing activities		**(709,230)**	**(1,285,201)**
Cash flows from financing activities			
Proceeds from issue of shares		-	1,431,892
Transaction costs related to issue of shares		-	(168,358)
Net cash provided by financing activities		-	**1,263,534**
Net increase in cash held		1,214,632	1,219,290
Cash and cash equivalents at beginning of financial year		2,475,764	1,256,474
Cash and cash equivalents at end of financial year	9	**3,690,396**	**2,475,764**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2019

1. Changes in Significant Accounting Policies

New accounting standards adopted as at 1 July 2018

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue and several revenue-related Interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that were incomplete as at 1 July 2018.

While this represents significant new guidance, the implementation of this new guidance did not have any impact on the timing or the amount of revenue recognised by the Group during the year. The Group has undertaken an extensive review of their revenue policy to ensure it complies with the new standard. This has been documented in note 2(l).

Implementation of AASB 15 has required the Group to segregate $2,792,660 of contract liabilities (being revenues billed but not earned) separately on the balance sheet from other liabilities for the year-ended 30 June 2019.

The tables below highlight the impact of AASB 15 on the Group's statement of financial position at 1 July 2018.

Statement of Financial Position (Extract)	Amount under AASB 118	Amount Under AASB 15
Other liabilities	2,342,991	21,639
Contract liabilities	-	2,321,352
Total current liabilities	**2,342,991**	**2,342,991**

AASB 9 Financial Instruments

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an "expected credit loss" model for impairment of financial assets.

When adopting AASB 9, the Group applied transitional relief and elected not to restate prior periods. Rather, differences arising from the adoption of AASB 9 in relation to classification, measurement, and impairment are recognised in opening retained earnings as at 1 July 2018.

The adoption of AASB 9 has impacted the following areas:

Classification and measurement of the Group's financial assets

Impairment of Trade and other receivables

The Group makes use of a simplified approach in accounting for impairment of trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Implementation of AASB 9 has required the Group to re-classify trade and other receivables from loans and receivables to financial assets at amortised cost. Refer to note 2(f) for further information. The standard has no other impacts on the financial statements.

2. Summary of Significant Accounting Policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The Group's functional currency is Australian dollars.

a. Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (Chant West Holdings Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 32.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;
(ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

b. Income Tax

The income tax expense (income) for the year comprises current income tax expense and deferred tax expense.

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised. Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

The Company and its wholly owned Australian controlled entities formed a tax consolidated group at 1 May 2015, which included Chant West Holdings Limited (formerly known as Enzumo Limited) as the head entity and the following subsidiaries: Enzumo LMS Pty Ltd, Enzumo Consulting Pty Ltd and Enzumo Corporation Pty Ltd (formerly Enzumo Admin Pty Ltd). On 1 December 2015 the acquisition of Chant West Pty Ltd by Chant West Holdings Limited resulted in Chant West Pty Ltd joining the tax consolidated group on that date.

c. Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (ie the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities and the entity's own equity instruments (excluding those related to share-based payment arrangements) may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective note to the financial statements.

d. Property, Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 2(g) for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the consolidated group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate - years
Office Equipment	2-15 years
Furniture and Fittings	2-15 years
Leasehold Improvements	2-15 years

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise.

e. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

f. Financial Instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instruments and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories upon initial recognition:

(iv) Financial assets at amortised cost
(v) Financial assets at fair value through profit or loss (FVPL)
(vi) Debt instruments at fair value through other comprehensive income (FVOCI)
(vii) Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Classifications are determined by both:

(viii) The entity's business model for managing the financial asset
(ix) The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within credit losses.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

(x) they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
(xi) the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

The Group does not have any assets in the categories FVPL, FVOCI and Equity FVOCI as defined in the Standard and as such has not disclosed a specific policy with regards to these classifications.

Impairment of financial assets

AASB 9's new impairment model uses more forward-looking information to recognize expected credit losses - the 'expected credit losses (ECL) model'. The application of the new impairment model depends on whether there has been a significant increase in credit risk.

Trade and other receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

The Group makes use of a simplified approach in accounting for trade and other receivables and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess similar credit risk characteristics regardless of the number of days past due. The Group allows 0% for trade receivables based on the Group's impeccable record of collecting its outstanding debts combined with high reputable clients and improvement in the receivable collection procedures.

All financial assets are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired.

Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

Trade and other payables are measured at amortised cost. Gains or losses are recognised in profit or loss when the financial liability is derecognised.

Accounting policies applicable to comparative period (30 June 2018)

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the entity commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the *effective interest method*.

The *effective interest method* is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(ii) Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at mortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a “loss event”) having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified into profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

Financial guarantees

Where material, financial guarantees issued that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due are recognised as a financial liability at fair value on initial recognition.

The fair value of financial guarantee contracts has been assessed using a probability-weighted discounted cash flow approach. The probability has been based on:

(xii) the likelihood of the guaranteed party defaulting during the next reporting period;
(xiii) the proportion of the exposure that is not expected to be recovered due to the guaranteed party defaulting; and
(xiv) the maximum loss exposure if the guaranteed party were to default.

Financial guarantees are subsequently measured at the higher of the best estimate of the obligation in accordance with AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less, when appropriate, cumulative amortisation in accordance with AASB 118: *Revenue*. Where the entity gives guarantees in exchange for a fee, revenue is recognised in accordance with AASB 118.

Derecognition

Financial assets are derecognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

g. Impairment of Assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the asset's value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

h. Intangibles Other than Goodwill

Brands and trademarks

Brands and trademarks are recognised at cost of acquisition. They have an indefinite life and are carried at cost less any impairment losses. Brands and trademarks are not amortised as they are seen to have an indefinite useful life. Brands and trademarks are accordingly impairment tested on an annual basis.

Customer Relationships

Customer relationships are recognised at cost of acquisition (as determined by an independent valuer) and are amortised over the period in which future economic benefits are expected to be derived, being a period of 10 years.

Software

Software assets are recognised at cost of acquisition (as determined by an independent valuer if necessary) and are amortized over the period in which future economic benefits are expected to be derived, being for a period of 5 years.

Database

Database assets are recognised at cost of acquisition (as determined by an independent valuer if necessary) and are amortized over the period in which future economic benefits are expected to be derived, being for a period of 5 years.

Research and development

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the group can demonstrate:

(xv) The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
(xvi) Its intention to complete and its ability to use or sell the asset;
(xvii) How the asset will generate future economic benefits;
(xviii) The availability of resources to complete the asset;
(xix) The ability to measure reliably the expenditure during development; and
(xx) The ability to use the intangible asset generated

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Chant West product development costs are amortized over the period of expected future benefit being 5 years.

Development assets in Chant West not ready for use are assessed for impairment on an annual basis.

Website

Website costs are recognised at cost of acquisition and are amortised over the period in which future economic benefits are expected to be derived, being for a period of 5 years.

i. Employee Benefits

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages and salaries. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that approximate the terms of the obligations. Any adjustments for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Termination benefits

When applicable, the Group recognises a liability and expense for termination benefits at the earlier of: (i) the date when the Group can no longer withdraw the offer for termination benefits; and (ii) when the Group recognises costs for restructuring pursuant to AASB 137: *Provisions, Contingent Liabilities and Contingent Assets* and the costs include termination benefits. In either case, unless the number of employees affected is known, the obligation for termination benefits is measured on the basis of the number of employees expected to be affected. Termination benefits that are expected to be settled wholly before 12 months after the annual reporting period in which the benefits are recognised are measured at the (undiscounted) amounts expected to be paid. All other termination benefits are accounted for on the same basis as other long-term employee benefits.

Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Binomial model and the fair value of performance right is determined using the Monte Carlo model (Tranche 1 and 2) and Vesting Prediction (Tranche 3 and 4). The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

j. Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

k. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within borrowings in current liabilities on the statement of financial position.

l. Revenue and Other Income

Revenue arises mainly from subscriptions, licensing, consulting, implementation and managed services.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligation
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Where the Group enters into transactions involving a range of the Group's services, in all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices.

Revenue is recognised either at a point in time or over time, when the Group satisfies performance obligations by transferring the promised services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position.

Chant West - Subscriptions

The Group enters into fixed price contracts with its customers for fixed terms with an automatic renewal clause. Access to software tools, promotional licences and research data published by Chant West is granted to customers based on the contract terms. Customers are required to pay in advance for each service period. Revenue is recognised overtime on a monthly basis over the term of the contract. This method best depicts the transfer of services to the customers as the tools, data, and licences are regularly maintained, updated and reviewed by the Group.

Chant West - Consulting and implementation services

The Group provides consulting and implementation services relating to the superannuation fund industry. Consulting services involve providing research data and reports to customers and implementation services involve tailoring existing services for additional data sets or features as requested by customers. Revenue from these services is recognised at a point in time when performance obligations are met. This method best depicts the transfer of services to the customers.

Chant West – Awards Event Income

The Group hosts an annual Awards in May issuing awards to various superannuation funds. This event is organised by the Group and tickets are sold to the public. Revenue is recognised at a point in time when the event takes place. This method best depicts the transfer of services to the customers as the Group has no further obligations once the event is over.

Chant West – Award licences

Award winning funds at the Awards Event have the option to purchase the right to use the Awards logo for promotional purposes for the next 12 months. A contract is entered into once the Awards Event is over and revenue is recognised at a point in time when the contract is executed. This method best depicts the transfer of services to the customers as once an Award has been issued, the Group has no further obligations.

Enzumo – Consulting and configuration services

The Group provides consulting and configuration services relating to the XPLAN software. Customers are required to pay in advance in accordance with the agreement. Consulting services involve one-off requests from clients for specific update and/or training and configurations services involving modifications to customers' current system with agreed performance obligations and relevant fees. Revenue from these services is recognised overtime when performance obligations are met. This method best depicts the transfer of services to the customers as a detailed schedule of fees for each deliverable is included within the service agreement and progress towards satisfaction of the performance obligations are monitored. When payments received from customers exceed revenue recognised to date on a contract, a contract liability is reported in the statement of financial position.

Enzumo – Licensing and managed services

The Group charges customers fixed fee for access to the customised platform (licence fees) and provide technical support to the customer (managed services). The fees are charged at the beginning of each month and revenue is recognised overtime in the same month. This method best depicts the transfer of services to the customers because services are being provided to the customer throughout the month.

Enzumo – Paraplanning

The Group acts as an agent to arrange paraplanning services for its customers. Commission revenue is recognised net of amount owed to contractors providing the services. Revenue is recognised at a point in time when performance obligations are met. This method best depicts the transfer of services to the customers.

Interest revenue

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets is the rate inherent in the instrument.

Government grants

Government grants are recognised at fair value where there is a reasonable certainty that the grant will be received upon meeting all grant terms and conditions. Grants that are meant to fund expenditure on research and development are recognised over the periods when these costs are recognised in profit or loss. Grants related to assets are carried forward as deferred income at fair value and are credited to other income over the expected useful life of the asset over a straight-line basis.

Accounting policies applicable to comparative period (30 June 2018)

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when payment is made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The following specific criteria must also be met before revenue is recognised:

Licence fees and rendering of services – Enzumo

Revenue from licence fees is recognised when the significant risks and rewards of ownership have passed to the buyer. Revenues from consulting and similar services are recognised as revenue in the period when the service is performed.

Subscription income and awards income – Chant West

Subscription income is mostly received annually, six monthly or quarterly in advance. Income is recognised on a monthly basis which is consistent with the provision of these services. The amount that has not been earned is recognised as a deferred income liability in the statement of financial position.

The delivery of service for award licences occurs at the time the award is issued.

m. Contract liabilities

Contract liabilities represent services billed by the Group in advance of meeting its performance obligations to the customer. These obligations typically exist for 12 months and as such are classified as a current liability.

n. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

p. Comparative Figures

Certain comparative in the statement of profit or loss and other comprehensive income have been reclassified, where necessary, to be consistent with current year presentation.

q. Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit/(loss) attributable to equity holders of the entity, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus share issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

r. Parent entity financial information

The financial information for the parent entity, Chant West Holdings Limited, disclosed in note 34 has been prepared on the same basis as the consolidated financial statements except for investments in subsidiaries which are accounted for at cost less accumulated impairment losses in the financial statements of the parent entity.

s. Segment Reporting

The Group has identified its operating segments based on the internal reports that are reviewed and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources. The Group operates in two business segments, being software solutions (XPLAN and LMS - Enzumo) and superannuation research services and software solutions (superannuation services – Chant West) for the financial services industry. All other activities are considered of a corporate nature (Corporate).

t. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates

(i) Goodwill impairment – Chant West

The Group assesses impairment at the end of each reporting period by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations that incorporate various key assumptions.

Cash flow projections to value Chant West goodwill are based on three key assumptions:(i) a revenue growth rate of 7% per annum over the next 5 years which reflects management's expectations of the company's continued ability to grow (ii) a pre-tax discount rate (weighted-average cost of capital) of 13.8% and (iii) a terminal growth rate of 3% per annum. The value of goodwill is sensitive to these assumptions. Goodwill is carried in the statement of financial position at a value of $2.67m as disclosed in note 13 'Intangible Assets.'

No impairment has been recognised in respect of Chant West goodwill at the end of the reporting period. Should Chant West have negative revenue growth of 0.01%, an impairment loss of $85,362 would arise. If the weighted average cost of capital was increased by 18.2%, an impairment loss of $33,886 would arise.

(ii) Capitalised development costs

Judgement is required in distinguishing the research and development phases of a new software development project and the useful life of each project. It is also required in determining whether the recognition requirements for the capitalisation of development costs are met. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired (see note 2h 'Research and development).

(iii) Recovery of deferred tax assets

Tax loss has been recognised as deferred tax assets to offset movements in deferred tax liabilities. No further tax losses have been recognised due to the uncertainty in relation to the timing of the losses being utilised in the future.

(iv) Share based payments

The company has issued options to directors and brokers. The options granted in prior year were valued using the Binomial model.

The company has issued performance rights to the executive director and senior staff members. The rights granted were valued using the Monte Carlo model (Tranche 1 and 2) and Vesting prediction (Tranche 3 and 4). The key inputs to the pricing model are disclosed in note 30 'Share Based Payments'. The key judgment involved in this pricing model is the use of the stock price volatility.

(v) R & D grant income

The company has received R & D grant income of $500,842 for the year ended 30 June 2019 from the Australian Taxation Office. Pursuant with AASB 120, $198,769 has been recognised as income in proportion to the associated expenses recognised during the year and the balance of grants received has been recognised as deferred income.

u. Going Concern Basis of Accounting

While the Group incurred a net loss after tax of $371,756 for the year ended 30 June 2019 (2018: loss of $1,658,822), the group generated cash inflows from operations of $1,923,862 and the directors are satisfied the Company is a going concern.

The directors believe the Company will be able to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report and, accordingly, have prepared the financial report on a going concern basis.

3. New accounting standards for application in future periods

Accounting Standards issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods, are discussed below:

(xxi) AASB 16: *Leases* (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: *Leases* and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

- recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-to-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;

- variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
- by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
- additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The Group have undertaken a preliminary assessment of the impact of AASB 16 using option 2 of the modified retrospective approach. Based on the Group's preliminary assessment the likely impact on first time adoption of this standard on 1 July 2019 includes recognition of a right of use assets of $1,018,920, and a recognition of a lease liability of $1,018,920 in the statement of financial position. The impact on profit and loss for the 2020 financial year is estimated to be $15,942 in 2020 financial year.

4. Profit or loss from continuing operations before income tax

	Note	2019 $	2018 $
Profit or Loss before income tax has been arrived at after charging (crediting) the following:			
Finance Costs			
Interest Expense		4,607	3,566
Other items of expense (income)			
Credit losses		-	750
Depreciation of plant and equipment	(i),(ii)	39,757	66,983
Amortisation of intangible assets	(i),(iii)	1,134,365	1,364,304
Impairment of assets	(iii),(iv)	14,621	1,143,123

(i) Depreciation and amortisation totalling $1,174,122 (2018: $1,431,287) comprises $226,567 (2018: $478,349) for Chant West, $13,869 (2018: $23,638) for Enzumo, and $933,686 (2018: $929,300) for the Parent Company.

(ii) See note 12

(iii) See note 13

(iv) Impairment of assets includes $14,621 (2018: $6,660) impairment of cash accounts where account balance cannot be verified.

5. IT expenses

	Note	2019 $	2018 $
IT expenses comprises of the following items:			
IT support		700,083	688,446
Subscriptions		272,165	285,150
Telecommunications		72,600	85,188
		1,044,848	1,058,784

6. Employment costs

	Note	2019 $	2018 $
Employee benefits comprises of the following items:			
Salaries and wages		3,221,370	3,459,663
Bonuses		301,986	435,224
Directors fees		302,386	268,025
Superannuation		320,330	324,222
Annual leave		56,454	(61,177)
Long service leave		50,374	30,629
Payroll tax		213,647	251,331
FBT Paid		3,332	-
Training and development		19,240	48,505
Recruitment		64,815	94,905
Staff amenities		58,425	48,336
		4,612,359	4,899,663

7. Income tax

(a) Income tax recognised in profit or loss:

The prima facie income tax expense on pre-tax accounting profit or loss from operations reconciles to income tax expense in the financial statements as follows:

		2019 $	2018 $
Loss before income tax expense		(371,756)	(1,658,822)
Prima facie income tax at 27.5% (2018: 27.5%)		(102,233)	(456,176)
Non-deductible items		540,552	37,553
Non assessable income		(449,341)	(465,664)
Recognition of temporary differences as a deferred tax asset		(110,857)	(923,941)
Income tax losses not recognised as a deferred tax asset		(49,116)	1,591,026
Income tax losses recognised as a deferred tax asset	(i)	170,995	217,202
Income tax (benefit) / expense		-	-

(v) A deferred tax asset relating to tax losses has been recognised amounting to \$170,995 (gross \$621,800), further tax losses exist that have not been recognised as a deferred tax asset. The deferred tax asset has been netted off against the deferred tax liability.

(b) Unrecognised deferred tax balances

The following temporary difference balances have not been recognised in the accounts:

Income tax losses	(49,116)	1,591,026
	(49,116)	1,591,026

The taxation benefits of losses and temporary differences not brought to account will only be obtained if:

(i) The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from deductions to be realised;

(ii) The Group continues to comply with the conditions for deductibility imposed by law; and

(iii) No changes in tax legislation adversely affect the Group's ability to realise the benefit of deductions.

8. Remuneration of auditors

	2019 $	2018 $
Parent and consolidated entity auditor		
Audit and audit review of financial reports	150,006	120,500
	150,006	120,500

9. Cash and cash equivalents

Cash at bank and on hand	3,690,396	2,461,143
Cash at bank and on hand (held in Papua New Guinean Kina – "PGK")	-	14,621
	3,690,396	2,475,764

10. Trade and other receivables

Current		
Trade receivables	845,047	736,062
Allowance for expected credit losses	-	-
	845,047	736,062
Accrued Revenue	35,232	54,595
	880,279	790,657

Trade receivables are non-interest bearing and on 30 to 60 day terms. Due to the short term nature of the receivables their carrying value is assumed to approximate their fair value. No collateral or security is held.

All of the Group's trade and other receivables have been reviewed for indicators of impairment. As at 30 June 2019, the Group has a past-due receivable balance of 2% which is expected to be fully collected and no provision is required.

1-30 days overdue	31-60 days overdue	61 days and over overdue
$223,111	$77,851	$19,470

The Group has financial risk management policies in place to ensure that all receivables are received within the applicable terms of payment.

The movement in the allowance for doubtful debts is reconciled as follows:

Reconciliation of allowance for doubtful debts		
Balance at beginning of period	-	-
Impairment loss provided	-	750
Amounts written off	-	(750)
Balance at end of period	-	-

11. Other assets

	2019 $	2018 $
Current		
Prepayments	176,447	160,725
	176,447	160,725
Non-current		
Prepayments	14,897	26,855
Term deposit against bank guarantee	233,008	233,008
	247,905	259,863

12. Plant and equipment

Furniture & fittings - at cost	235,804	231,328
Accumulated depreciation	(217,997)	(213,494)
	17,807	17,834
Office equipment - at cost	215,546	188,025
Accumulated depreciation	(158,025)	(125,829)
	57,521	62,196
Leasehold improvements - at cost	19,888	-
Accumulated depreciation	(3,058)	-
	16,830	-
Total	92,158	80,030

Movement schedule	Furniture and fittings $	Office equipment $	Leasehold improvements $	Total $
Balance at 30 June 2017	38,568	67,863	140,329	246,760
Additions	3,406	46,049	-	49,455
Disposal	(15,113)	(4,180)	(129,909)	(149,202)
Depreciation	(9,027)	(47,536)	(10,420)	(66,983)
Balance at 30 June 2018	17,834	62,196	-	80,030
Additions	4,477	27,520	19,888	51,885
Disposal	-	-	-	-
Depreciation	(4,504)	(32,195)	(3,058)	(39,757)
Balance at 30 June 2019	17,807	57,521	16,830	92,158

(i) No plant and equipment is or has been pledged as collateral or security

13. Intangible Assets

	2019 $	2018 $
Acquired Goodwill:		
Cost	2,670,927	2,670,927
Accumulated impairment losses	-	-
Net carrying amount	2,670,927	2,670,927
Acquired Brand Names and Trademarks:		
Cost	916,000	916,000
Accumulated impairment losses	-	-
Net carrying amount	916,000	916,000
Acquired Customer Relationships:		
Cost	2,793,000	2,793,000
Accumulated amortisation	(1,000,825)	(721,525)
Net carrying amount	1,792,175	2,071,475
Acquired Software and Database:		
Cost	3,250,000	3,250,000
Accumulated amortisation	(2,329,167)	(1,679,167)
Net carrying amount	920,833	1,570,833
Software development costs – Enzumo	3,842,608	3,842,608
Accumulated impairment	(3,842,608)	(3,842,608)
Net carrying amount	-	-
Software development costs – Chant West	3,147,791	2,490,446
Accumulated amortisation	(621,303)	(426,629)
Accumulated impairment	(1,136,463)	(1,136,463)
Net carrying amount	1,390,025	927,354
Website development costs	51,963	51,963
Accumulated amortisation	(28,582)	(18,191)
Net carrying amount	23,381	33,772
Total	7,713,341	8,190,361

Movement Schedule

	Goodwill	Brand Names Trade Marks	Customer Relationships	Software & database	Software development – Chant West	Website development – Chant West	Total
30 June 2019							
Opening balance	2,670,927	916,000	2,071,475	1,570,833	927,354	33,772	8,190,361
Additions	-	-	-	-	657,345	-	657,345
Amortisation charge	-	-	(279,300)	(650,000)	(194,674)	(10,391)	(1,134,365)
Impairment	-	-	-	-	-	-	-
Closing balance	2,670,927	916,000	1,792,175	920,833	1,390,025	23,381	7,713,341

Intangible assets, other than brand names and trademarks and goodwill, have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of profit or loss. Brand names and trademarks have an indefinite useful life. There are two cash generating units - Chant West and Enzumo.

Impairment disclosures

Goodwill, brand names and trademarks are allocated to cash-generating units which are based on the Group's reporting segments:

	Note	2019 $	2018 $
Goodwill (superannuation research and advisory) – Chant West		2,670,927	2,670,927
Brand name, trademark – Chant West		916,000	916,000
Total		3,586,927	3,586,927

The recoverable amount of each cash-generating unit above is determined based on the value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a 5-year period with the period extending beyond 5 years extrapolated using a terminal growth rate. The cash flows are discounted using the weight average cost of capital (WACC).

The following key assumptions were used in the value-in-use calculations:

	Terminal growth rate	Revenue growth rate	Discount rate
Superannuation Research and Advisory	3%	7%	13.8%

Management has based the value-in-use calculations on budgets for each reporting segment. These budgets use historical weighted average growth rates to project revenue. Costs are calculated taking into account historical gross margins as well as estimated weighted average inflation rates over the period, which are consistent with inflation rates applicable to the locations in which the segments operate. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

No impairment has been recognised in respect of goodwill at the end of the reporting period. Should Chant West have revenue growth of 0.01%, an impairment loss of $85,362 would arise. If the weighted average cost of capital was increased by 18.2% to 32%, an impairment loss of $33,886 would arise.

In June 2017, the Board made a decision to discontinue the Enzumo software development project (Enzumo segment reporting) due to the lack of institutional support for the product. The Board will seek to recover as much as possible of the value of the intellectual property inherent in the product. Its fair value at 30 June 2019 is $nil.

In June 2018, the Board made a decision to recognise an impairment expense of $1,136,463 in relation to the Chant West capitalised software development costs after a review of the current capitalised costs.

14. Trade and other payables

	2019 $	2018 $
Current		
Trade payables	267,896	263,219
Sundry payables	458,549	269,210
Accrued Expenses	80,456	106,395
GST payable	141,164	103,303
	948,065	742,127

The average credit period on purchases is 30 days. No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within terms.

15. Deferred tax

	Opening balance $	Charge to income $	Closing balance $
Non - Current			
Deferred tax liabilities (i)			
Customer relationships	344,623	133,403	478,026
Prepayments	-	3,692	3,692
Black hole expenditure	(171,970)	88,279	(83,691)
Provisions and accruals	(118,347)	(54,379)	(172,726)
Tax losses	(46,996)	(170,995)	(217,991)
Balance at 30 June 2019	7,310	-	7,310

(vi) Deferred tax assets have been netted off against deferred tax liabilities for disclosure purposes.

16. Contract liabilities

	2019 $	2018 $
Current		
Contract liabilities	2,792,660	-
	2,792,660	-

Movement schedule

	2019 $	2018 $
Balance at beginning of the period	-	-
Amount recognised at beginning of the period upon implementation of AASB 15	2,321,352	-
Amount recognised for services provided	(6,186,462)	-
Advance received for future services	6,657,770	-
Balance at end of period	**2,792,660**	-

17. Provisions

	2019 $	2018 $
Current		
Employee benefits	437,186	336,532
	437,186	336,532
Non-current		
Employee benefits	99,993	93,819
	99,993	93,819

18. Other liabilities

	2019 $	2018 $
Current		
Lease liability	32,716	21,639
Deferred Income	-	2,321,352
Deferred R & D Income	79,631	-
	112,347	2,342,991
Non-current		
Deferred R & D Income	222,442	-
	222,442	-

19. Issued capital

(a) Share capital

Fully paid ordinary shares		21,733,287	21,733,287
Class A performance shares	(d)	-	-
Class B performance shares	(d)	-	-
Class C performance shares	(d)	-	-
Fully paid ordinary shares		21,733,287	21,733,287

(b) Movement in fully paid ordinary shares

Date	Details		Number of Shares	$ per Share	$
30/06/2017	Balance at end of period		95,458,927		20,196,153
20/12/2017	Shares issued in lieu of cash bonus		4,000,000	0.06	240,000
20/12/2017	Shares issued under Entitlement Offer dated 22 November 2017	(i)	8,497,085	0.06	509,825
21/12/2017	Shares issued under the underwriting agreement	(i)	15,367,780	0.06	922,067
	Less: Share issue costs		-	-	(168,358)
28/02/2018	Shares issued under the corporate advisory agreement	(i)	600,000	0.056	33,600
30/06/2018	Balance at end of period		123,923,792		21,733,287
04/09/2018	Shares issued in accordance with the T&Cs of performance shares	(ii)	6	0.05	-

30/06/2019	Balance at end of period	123,923,798	21,733,287

(i) Issued without restrictions
(ii) 3 ordinary shares in the Company were issued to each of the 2 performance shareholders in accordance with the Terms and Conditions of performance shares as approved in previous AGM. The ordinary shares were issued without restrictions.

(c) Terms and conditions of fully paid ordinary shares

(i) Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on shares held.
(ii) On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote and on a poll each share is entitled to one vote.
(iii) Ordinary shares have no par value and the company does not have limited amount of authorised capital.

(d) Movement in performance shares

Date	Details	Number of Shares	$ per Share	$
30/06/2017	Balance at end of period	3,600,000	-	-
30/06/2018	Lapse of Class B performance shares	(1,800,000)	-	-
30/06/2018	Lapse of Class C performance shares	(1,800,000)	-	-
30/06/2018	Balance at end of period	-	-	-

Terms and conditions of performance shares

(i) The Performance Shares confer on the Performance Shareholders the right to receive notices of and attend general meetings and financial reports and accounts of the Company that are circulated to Shareholders. The Performance Shares do not confer a right to vote and meetings of shareholders.
(ii) The Performance Shares do not entitle the Performance Shareholder to receive dividends or participate in surplus assets on a winding up of the company.
(iii) Performance Shares do not entitle the holder to participate in new issues of capital offered to holders of ordinary shares such as bonus issues and Entitlement Offers.
(iv) Each Class B Performance Share will automatically convert into one (1) Share on the satisfaction of the Class B Milestone and each Class C Performance Share will convert into one (1) Share on the satisfaction of the Class C milestone.
(v) Class A Performance Share has lapsed as at 30 June 2017 due to non-achievement of Milestone of Group EBITDA, for either FY 16 or FY17, being greater than or equal to $3,400,000.
(vi) Class B Milestone has lapsed as at 30 June 2018 due to non-achievement of Milestone of Group EBITDA for any of FY 16, FY 17 or FY 18, being greater than or equal to $4,000,000.
(vii) Class C Milestone has lapsed as at 30 June 2018 due to non-achievement of Milestone of Group EBITDA for any of the FY 16, FY 17 or FY 18, being greater than or equal to $6,400,000
(viii) On 4 September 2019, all performance shares were converted into 6 ordinary shares in accordance with the Terms and Conditions of performance shares as approved in previous AGM in connection with not meeting performance hurdles. At 30 June 2019, the Company has no performance shares on issue.

20. Options over unissued shares

Movements in options on issue

	2019		2018	
	No.	WAEP*	No.	WAEP*
Balance at beginning of reporting period	2,500,000	$0.345	4,650,000	$0.324
Issued during the year	-	-	1	$0.060
Lapsed during the year	(2,500,000)	($0.345)	(2,150,001)	($0.093)

Balance at end of reporting year	**-**	**-**	**2,500,000**	**$0.345**

*Weighted Average Exercise Price

Options on issue by exercise date and exercise price

	2019		2018	
Expiry Date	**No.**	**WAEP***	**No.**	**WAEP***
21 July 2018	-	-	1,000,000	$0.30
17 May 2019	-	-	1,500,000	$0.375
Balance at end of reporting year	**-**	**-**	**2,500,000**	**$0.345**

Terms of issue of options

By payment of the exercise price before the expiry date, each option entitles the holder to acquire one fully paid share in the Company. The options are transferrable only with the prior approval of the board of Chant West Holdings Limited and do not contain a right of the option holder to participation in the issue of shares made by the company.

21. Performance rights over unissued shares

Movements in performance rights on issue

		2019		2018	
		No.	**WAEP***	**No.**	**WAEP***
Balance at beginning of reporting period		9,900,000	-	-	-
Issued during the year	(iv)	-	-	2,971,000	-
Issued during the year	(v)	-	-	2,966,000	-
Issued during the year	(vi)	-	-	2,963,000	-
Issued during the year	(vii)	-	-	1,000,000	-
Forfeited during the year		(200,000)	-		
Balance at end of reporting year		**9,700,000**	**-**	**9,900,000**	**-**

*Weighted Average Exercise Price

Options on issue by exercise date and exercise price

	2019		2018	
Expiry Date	**No.**	**WAEP***	**No.**	**WAEP***
29 February 2020	2,904,000	-	2,971,000	-
28 February 2021	2,899,000	-	2,966,000	-
28 February 2022	3,897,000	-	3,963,000	-
Balance at end of reporting year	**9,700,000**	**-**	**9,900,000**	**-**

Terms of issue of options

(i) Each Performance Right entitles the holder to subscribe for, and be issued, credited as fully paid, one share in the capital of the Company, upon vesting and exercise of that Performance Right.

(ii) The Performance Rights were granted at no costs to the employee and have an exercise price of $nil

(iii) The Performance Rights were granted in four (4) tranches, each of which are subject to different Vesting Dates and Performance Conditions.

(iv) Tranche 1 Performance Rights – employed by the Company on 1 March 2018 and share price of 10 cents or more during the period from 1 March 2018 to 29 February 2020.

(v) Tranche 2 Performance Rights – employed by the Company on 1 March 2019 and share price of 14 cents or more during the period from 1 March 2019 to 28 February 2021.
(vi) Tranche 3 Performance Rights – employed by the Company on 1 March 2020 and EBITDA of $2 million or more for either FY20 or FY21.
(vii) Tranche 4 Performance Rights – employed by the Company on 1 March 2020 and EBITDA of $3.5 million or more for either FY20 or FY21.

22. Reserves and accumulated losses

(a) Reserves

	Note	2019 $	2018 $
Share based payments reserve		292,863	177,552
		292,863	177,552
Movements in reserve			
Share based payments reserve			
Balance at beginning of period		177,552	128,000
Options issued during period		117,658	129,352
Transfer to accumulated loss		(2,347)	(79,800)
Balance at end of period		292,863	177,552

The share-based payments reserve records the value of share options and performance rights issued to the Company's directors, employees and third parties.

On 20 December 2017 the Company issued to Brendan Burwood, an option over 13,300,000 ordinary shares, at a price of $nil with exercise price of $0.06. The option had an expiry date of 30 June 2018 and was not exercised.

On 11 January 2019, one of the senior staff members who was issued 200,000 performance rights on 28 February 2018 resigned. The relevant rights lapsed without being exercised as the performance conditions were not met at the time of resignation.

(b) Accumulated Losses

	2019 $	2018 $
Balance at beginning of year	(13,476,218)	(11,897,196)
Loss for the year	(371,756)	(1,658,822)
Transfer from reserve	2,347	79,800
Balance at end of year	(13,845,627)	(13,476,218)

23. Dividends

No dividends have been paid or declared for the year ended 30 June 2019.

24. Reconciliation of cash flows from operating activities

	2019 $	2018 $
Loss for year	(371,756)	(1,658,822)
Adjusted for:		
Depreciation and amortisation	1,174,122	1,431,287
Impairment	14,621	1,143,123
Net loss on disposal of assets	-	149,202
Share based payments	117,658	402,952
	934,645	1,467,742
Add (deduct) net changes in working capital (net of acquisition):		
Change in cash balance arises from impairment	(14,621)	(6,660)
Change in trade and other receivables	(89,622)	(99,773)
Change in other assets	(3,764)	(56,799)
Change in trade and other payables	205,938	(269,584)
Change in employee obligations	106,828	(30,548)
Change in contract liabilities	2,792,660	-
Change in other liabilities	(2,008,202)	236,579
Net cash inflow from operating activities	**1,923,862**	**1,240,957**

25. Financial assets and liabilities

The carrying amounts of each category of financial asset and liability, as detailed in the accounting policies are as follows:

	Carried at amortised cost	Total
Year ending 30 June 2019	$	$
Financial assets		
Cash and cash equivalents	3,690,396	3,690,396
Trade receivables	880,279	880,279
Total current financial assets	4,570,675	4,570,675
Other assets	233,008	233,008
Total non-current financial assets	233,008	233,008
Total financial assets	4,803,683	4,803,683
Financial liabilities		
Trade payables	867,609	867,609
Total financial liabilities	867,609	867,609
Net financial assets	3,936,074	3,936,074

	Carried at amortised cost	Total
Year ending 30 June 2018		
Financial assets		
Cash and cash equivalents	2,475,764	2,475,764
Trade receivables	790,657	790,657
Total financial assets	3,266,421	3,266,421
Other assets	233,008	233,008
Total non-current financial assets	233,008	233,008
Total financial assets	3,499,429	3,499,429
Financial liabilities		
Trade payables	635,732	635,732
Total financial liabilities	635,732	635,732
Net financial assets	2,863,697	2,863,697

26. Financial instruments and risk management

(a) Risk management objectives and policies

The Group's principal financial instruments comprise cash and cash equivalents. The main purpose of these financial instruments is to finance the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

Through these instruments the Group is exposed to various risks, the main risk types being market risk, credit risk and liquidity risk. An analysis of the Group's exposure management to these risks follows.

The Group's risk management is coordinated in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write uncovered options.

A discussion and analysis of each of the key areas of the Company's financial risk management framework follows.

(b) Market risk management

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk and interest rate risk, which result from its operating activities.

Foreign currency risk

The majority of the Group's transactions are carried out in $AUD. Exposures to currency exchange rates arises from the Group's foreign currency denominated bank accounts.

In order to mitigate the Group's exposure to foreign currency risk, non-$AUD cash flows are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. Generally, the Group's risk management procedures distinguish short-term foreign currency cash flows (due within six months) from longer-term cash flows (due after six months). Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for significant long-term foreign currency exposures that are not expected to be offset by other currency transactions.

The following table depicts the Company's net exposure to foreign currency denominated financial assets and liabilities at the reporting date:

	Foreign Currency	2019 $AUD	2018 $AUD
Financial assets			
Cash at bank and on hand	PGK	-	14,621
Net financial assets		-	14,621

At the reporting date a 10% variation up or down in PGK exchange rates (with all other variables held constant) would have varied after tax result and equity for the year by an immaterial amount (2018: $nil).

Interest rate risk

The Group's exposure to the risks of changes in market interest rates relates primarily to the Group's short-term deposits with floating interest rates. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk.

At the reporting date a 10% variation up or down in short term interest rates (with all other variables held constant) would have varied after the tax result and equity for the year by an immaterial amount.

(c) Credit risk management

Credit risk arises in the event that a counterparty will not meet its obligations under a financial instrument leading to financial losses. The Consolidated Group is exposed to credit risk from its operating activities and financing activities, including deposits with banks and trade receivables. Cash balances are held in financial institutions with high ratings, primarily the Australian Big 4 banks. The entity has assessed that there is minimal risk that the cash balances are impaired. Trade receivables are reviewed for impairment by a process of specific identification and appropriate allowance made for credit losses as required.

(d) Liquidity risk management

The group is exposed to liquidity risk by having to maintain sufficient cash reserves to close out trade and other payable obligations in a timely manner and manages this risk by maintaining sufficient cash reserves and through regular rolling forecasts of cash flows. The entity aims at maintaining flexibility in funding by having plans in place to source additional capital as required.

The following table details the Consolidated Entity's non-derivative financial instruments according to their contractual maturities. The amounts disclosed are based on contractual undiscounted cash flows.

	2019 $	2018 $
Contracted maturities of payables at reporting date:		
Less than 6 months	867,609	635,732
	867,609	635,732

(e) Capital risk management

When managing capital (shareholder equity), management's objective is to ensure the entity continues as a going concern in addition to providing optimal returns to shareholders and benefits for other stakeholders.

In order to maintain or adjust the capital structure, the entity may adjust the amount of dividends paid to shareholders, return capital to shareholder, issue new shares, enter into joint ventures or sell shares. The entity does not have a defined share buy-back plan.

There is no current intention to incur debt funding on behalf of the Company. The Group is not subject to any externally imposed capital requirements.

27. Contingent liabilities

The Company and the Group had contingent liabilities at balance date in respect of:

Indemnities

Indemnities have been provided to directors and certain executive officers of the consolidated Group in respect of potential liabilities to third parties arising from their positions. No monetary limit applies to these agreements and there are no known liabilities still outstanding as at 30 June 2019 (2018: Nil).

Bank guarantee

Bank guarantee of $233,008 has been provided to Dexus Group in respect of the lease at 45 Clarence Street. There are no known liabilities outstanding as at 30 June 2019 (2018: Nil).

28. Commitments

Non-cancellable operating lease rentals	2019 $	2018 $
The Group has non-cancellable operating leases commitment in respect of office premises located at 10 Edmondstone Road, Bowen Hills Queensland and 1003/45 Clarence Street, Sydney, New South Wales		
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:		
Within 1 year	374,419	409,935
Later than 1 year but not later than 5 years	1,023,137	1,440,256
	1,397,556	1,850,191

29. Earnings per share

	2019 $	2018 $
Loss per share:		
Basic (cents)	(0.30)	(1.50)
Diluted (cents)	(0.30)	(1.50)
The loss attributable to shareholders of the Company and used in the calculation of earnings per share:		
Basic	(371,756)	(1,658,822)
Diluted	(371,756)	(1,658,822)
Weighted average number of ordinary shares outstanding during the year used in the calculation of earnings per share:		
Basic	123,923,797	110,275,054
Diluted	123,923,797	110,275,054
Options and performance rights on issue not used in the calculation of diluted loss per share:	9,700,000	9,900,000

(a) At the report date the company had 9,700,000 (2018:12,400,000) unlisted options over unissued ordinary shares on issue. These options are not considered to be dilutive as their exercise price was higher that the Company's share price on the reporting date.

30. Share-based payments

(a) Recognised share-based payment expense

Expense arising from the issue of options	117,658	129,352

(b) Share based payments made through the issue of options

On 20 December 2017 the Company issued to Brendan Burwood, an option over 13,300,000 ordinary shares, at a price of $nil. The option has an exercise price of 6 cents per share and expired on 30 June 2018.

On 22 July 2015, the Company issued to Baker Young Stock Brokers, options over 1,000,000 ordinary shares, at a price of $1,000. The option has an exercise price of 30 cents per share and expired on 22 July 2018.

On 17 May 2016, the Company issued to Baker Young Stock Brokers, options over 1,500,000 ordinary shares, at a price of $1,500. The option has an exercise price of 37.5 cents per share and expired on 17 May 2019.

Refer to note 20 for details of all options over unissued shares.

(c) Share based payments made through the issue of performance rights

On 20 December 2017 the Company issued to Brendan Burwood, 4,000,000 performance rights (Traches 1 to 4) over ordinary shares. Each option has an exercise price of $nil.

On 28 February 2018 the Company issued to 12 senior staff, 5,900,000 performance rights (Tranches 1 to 3) over ordinary shares. Each option has an exercise price of $nil.

At 30 June 2019, 9,700,000 remained on issue.

Refer to note 21 for details of the terms of issue, performance condition and rights over unissued shares.

(d) Performance rights valuation determinants

The following table lists the inputs to the model used for the purposes of establishing the fair value of the performance rights issued.

Dividend Yield (%)	0.00
Expected Volatility (%)	75-100
Risk free interest rate (%)	2.13
Exercise price ($)	0.00
Share price at grant date ($)	0.05

The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the performance rights granted were incorporated into the measurement of fair value.

31. Related party transactions and disclosures

(a) Parent entity

The parent entity within the Group is Chant West Holdings Limited. The parent entity's interests in subsidiary companies are set out in note 32.

(b) Transactions with key management personnel

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(c) Key management personnel compensation

The aggregate compensation of Directors and senior management is set out below:

	2019 $	2018 $
Short-term employment benefits	615,365	788,305
Post-employment benefits	25,000	40,921
Share-based payments	-	240,000
	640,365	1,069,226

(d) Outstanding balances arising from sales/purchases of goods and services

Current payables (purchases of services)	-	-

(e) Equity-based payments

Details of equity settled transactions are included the remuneration report and in note 30.

(f) Transactions with related parties

The following transactions occurred with related parties other than key management personnel or entities related to them:	2019 $	2018 $
Purchase of goods and services		
Albion Street Partnership – Surry Hills rental agreement (i)	-	202,800

(g) Terms and conditions of transactions with related parties other than key management personnel or their related entities

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. Outstanding balances are unsecured and are repayable in cash.

Contracts entered into with related parties include:

(i) Chant West Pty Limited had an agreement with the Albion Street Partnership (Warren Chant holds a controlling interest in this entity) for the rental of the Surry Hills premises for an amount of $13,273 per month. The agreement expired in June 2017.

32. Subsidiaries

	Country of Incorporation	Ownership interest 2019 %	Ownership interest 2018 %
Parent entity			
Chant West Holdings Limited	Australia		
Subsidiaries			
Chant West Pty Ltd	Australia	100	100
Enzumo Corporation Pty Ltd	Australia	100	100
Enzumo Consulting Pty Ltd	Australia	100	100
Enzumo LMS Solutions Pty Ltd (i)	Australia	-	100
Goldminex Resources (PNG) Limited (ii)	Papua New Guinea	100	100

(i) Enzumo LMS Solutions Pty Limited is a dormant entity with neither assets or external liabilities which was deregistered on 26 February 2019.

(ii) Goldminex Resources (PNG) Limited is a dormant entity with neither assets or external liabilities at the reporting date and did not contribute to the operating result for the year.

33. Segment reporting

The Group has identified its operating segments based on internal reports that are reviewed and used by the executive management team (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group operates in two business segments, being software solutions (XPLAN and LMS - Enzumo) and superannuation research services and software solutions (Superannuation services – Chant West) for the financial services industry. All other activities are considered of a corporate nature (Corporate).

For the year ended 30 June 2019		XPLAN & eLMS – Enzumo	Superannuation Services – Chant West	Total
		$	$	$
Revenue				
From external customers				
Subscriptions	(i)	-	5,244,820	5,244,820
Award licences	(ii)	-	292,000	292,000
Awards Event income	(ii)	-	98,966	98,966
Consulting & implementation	(ii)	-	620,823	620,823

Consulting & configuration	(i)	391,235	-	391,235
Licencing & managed services	(ii)	1,420,033	-	1,420,033
Paraplanning	(i)	91,871	-	91,871
From other segments		-	-	-
Segment revenues		1,903,139	6,256,609	8,159,748
Interest income		21	25,371	25,392
R & D grant income		-	198,769	198,769
Total revenue		1,903,160	6,480,749	8,383,909
Segment operating profit before tax		**84,581**	**1,497,448**	**1,582,029**
Reconciliation of segment result to Group net profit/loss before tax:				
Income & Expenses of a corporate nature not included in segment result but reviewed by the Board				(1,953,785)
Net operating (loss) before tax				**(371,756)**
Segment assets		474,724	5,335,673	5,810,397
Reconciliation of segment assets to Group assets:				
Unallocated assets:				6,990,129
Total group assets				**12,800,526**

(i) Revenue recognised over time
(ii) Revenue recognised at a point in time
(iii) Refer to note 16 for contract liability reconciliation

For the year ended 30 June 2018	**XPLAN & eLMS – Enzumo**	**Superannuation Services – Chant West**	**Total**
	$	$	$
Revenue			
From external customers	1,684,390	5,621,401	7,305,791
From other segments	-	-	-
Segment revenues	1,684,390	5,621,401	7,305,791
Interest income	11	10,258	11,522
R & D grant income	846,349	846,974	1,693,323
Total revenue	2,530,750	6,478,633	9,010,636
Segment operating (loss) / profit before tax	**532,162**	**(159,598)**	**372,564**
Reconciliation of segment result to Group net profit/loss before tax:			
Income & Expenses of a corporate nature not included in segment result but reviewed by the Board			(2,031,386)
Net operating (loss) before tax			**(1,658,822)**
Segment assets	270,271	3,507,409	3,777,680
Reconciliation of segment assets to Group assets:			
Unallocated assets:			8,179,720
Total group assets			**11,957,400**

34. Parent entity information

(a) Summary of financial information

	2019 $	2018 $
Statement of Financial Position		
Current assets	660,115	904,062
Non-current assets	10,309,879	10,306,422
Total assets	10,969,994	11,210,484
Current liabilities	220,849	138,938
Non-current liabilities	2,244,913	1,657,806
Total liabilities	2,465,762	1,796,744
Share capital	66,466,192	66,466,192
Reserves	292,863	177,552
Accumulated losses	(58,254,823)	(57,230,004)
Shareholders' equity	8,504,232	9,413,740
Statement of Comprehensive Income		
Operating loss for the year	(1,024,485)	(425,619)
Total comprehensive expense	(1,024,485)	(425,619)

(b) Guarantees entered into by the parent entity

The parent entity has not provided financial guarantees to external parties.

(c) Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2019 or 30 June 2018.

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

The parent entity did not have any contractual commitments for the acquisition of property, plant or equipment as at 30 June 2019 or 30 June 2018.

(e) Receivables from subsidiaries

Receivables from entities within the wholly owned group arise from Chant West Holdings Limited funding development and other significant items of expenditure for its subsidiaries. The non-interest bearing intercompany loan is repayable when the subsidiary is in a financial position to repay. Due to the nature of the receivable balances, no collateral or security is held.

Management has assessed the recoverability of the parent entity loans to its subsidiaries and a debts forgiveness for $1,759 was raised as at 30 June 2019 (2018: $673,786).

(f) Events subsequent to balance date

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