

Australian Settlements Limited

**Annual Report
June 2025**



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Directors' Report

The Directors of Australian Settlements Limited (ASL) present the annual report of the company for the financial year ended 30 June 2025.

Directors

The names of the directors of ASL in office at any time during, or since the end of the year to the date of this report, are:

Michel Andre (appointed 1 August 2025)
 Wolfgang Gaertner (appointed 1 August 2025)
 Michael Bo Nørlem Hansen (appointed 1 August 2025)
 Matthew Lawrance (appointed 1 August 2025)
 Mishal Ashwin Ruparel (appointed 1 August 2025)
 Marie-Anne Van den Berg (appointed 1 August 2025)
 Mark Tibbles (appointed 1 August 2025)

Claudia Jacqueline Bels (resigned 31 July 2025)
 Mark Peter Colless (resigned 31 July 2025)
 Dale Frederick Grounds (resigned 31 July 2025)
 Anna-Leena Risku (resigned 31 July 2025)
 Robert James Ryan (resigned 31 July 2025)
 Bruce Kenneth White (resigned 31 July 2025)
 Graeme Douglas Willis (resigned 31 July 2025)

Vincent Pace (appointed 31 August 2024 and resigned 31 July 2025)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. None of the directors has any interest in a contract or proposed contract with ASL, with the exception of those identified in note 27 to the financial statements or have declared such an interest since the date of the last Directors' Report.

Name and qualifications

(Directors who were appointed 1 August 2025)

Michel ANDRE

Mr Andre is a senior technology executive with over 20 years' experience in technology leadership, software engineering and systems architecture, including roles covering innovation, digital transformation, and organisational scalability. Previous employers and clients include Saxo Bank, NeoNet, Swedbank Markets, OMX Technologies, and the Stockholm Stock Exchange. Mr Andrew is a member of the company's Risk Committee.

Wolfgang GAERTNER

Mr Gaertner is a global technology and operations Leader in the financial services industry with 30 years of experience in banks, including CIO positions at Deutsche Bank and Commerzbank. He has been as Non-Executive Director and Board Chairman for several banks and technology companies with specific focus on sound governance, regulator interaction and scaling. Mr Gaertner is the Chairman of Banking Circle S.A. since 2019. Mr Gaertner is the Chair of the company's Audit Committee.

Michael Bo NORLEN HANSEN

Mr Hansen is a highly experienced financial executive with over 30 years' experience in the banking sector. He currently serves as the Chief Financial Officer and Authorised Manager at Banking Circle S.A. Mr Hansen's expertise includes financial management, risk assessment, and regulatory compliance. Prior to Banking Circle, he held senior finance and operations positions in FIH Erhvervsbank, in Denmark. Mr Hansen is a member of the company's Audit Committee.

Matthew LAWRENCE

Mr Lawrence is a seasoned board director and senior executive with over 30 years of experience across financial services, retail, and airline industries. He has held CEO, CFO, and COO roles in listed companies, responsible for Finance, Operations, Customer Servicing, Technology Transformation, and Program Management. During his tenure at NAB, Matthew served as Executive General Manager, Wealth, CEO MLC Super, and Chief Technology & Operations Officer, overseeing major investment portfolios. Since mid-2019, Mr Lawrence has provided advisory services in financial services and serves as Executive Director & Chair of Entregar Partners. He also is the Non-Executive Chair of Azupay Pty Ltd, a payments fintech, and a Non-Executive Director of Blackwattle Investment Partners Pty Ltd, an Investment Management start-up. Mr Lawrence started his career at Ernst & Young, specialising in Corporate Restructuring and Insolvency. Mr Lawrence was appointed Chair of the Board on 1 August 2025 and is a member of the company's Audit and Risk Committees.

Mishal Ashwin RUPAREL

Mr Ruparel has over 20 years of commercial experience in the banking and fintech sectors. As part of the founding team and member of the senior leadership team of Banking Circle, he has overseen the business from its inception through to obtaining its banking licence in Luxembourg. Prior to Banking Circle, Mr Ruparel held various roles including senior sales roles, international development and finance roles at WorldPay, Barclays Bank and First Data.

Marie-Anne VAN DEN BERG

Ms Marie-Anne Van den Berg has over 40 years of experience in the financial services sector, including as managing director of Hauck & Aufhauser Privatbankiers Luxembourg and Landesbank Baden-Wurtemberg Luxembourg. Ms Van den Berg holds independent directorships in several companies in the Luxembourg financial sector and has been an Independent Director at Banking Circle S.A. since 2019. Ms Van den Berg is the Chair of the company's Risk Committee.

Mark Tibbles

Mr Tibbles is the Chief Executive Officer of ASL. Mr Tibbles has spearheaded the strategic transformation from a settlements company to a leading Australian payments company. He continues to guide ASL into new directions under new ownership, ensuring the delivery of solutions that enhance client efficiency in the ever-evolving payments landscape. With a deep passion for product innovation, Mark's extensive background in payments spans more than 25 years across multiple markets, including Australia, the UK, and Asia. He has held senior roles in the Big 4 Australian Banks, UK banks, and payment technology companies in Asia, as well as various Directorships, Advisory roles, and Industry Committee positions.

Name and qualifications

(Directors who resigned 31 July 2025)

Claudia Jacqueline BELS

Ms Bels is an independent director with extensive legal, governance, risk management and financial expertise. Ms Bels has over 30 years' experience across the government, member services and international banking and finance sectors. She is Chair of Australia & New Zealand Recycling Platform Limited (Techcollect) and a Non-Executive Director of Endeavour Energy, as well as chairing committees for a number of these companies. Ms Bels is a Fellow of the Australian Institute of Company Directors. Ms Bels was the ASL Deputy Chair, the Chair of the company's Risk Committee and Contracts & Pricing Committee and was a member of the Audit Committee, and the Governance, People & Culture Committee, until her resignation on 31 July 2025.

Mark Peter COLLESS

Mr Colless is currently the Deputy Chief Financial Officer of Newcastle Greater Mutual Group Ltd. He is a Chartered Accountant with over 20 years' experience in the financial services industry, chartered accounting and commercial enterprises. Mr Colless holds a Bachelor of Commerce from the University of Sydney and a Master of Business Administration from the Macquarie Graduate School of Management and is a graduate member of the Australian Institute of Company Directors. Mr Colless was a member of the company's Audit and Risk Committees, until his resignation on 31 July 2025.

Dale Frederick GROUNDS

Mr Grounds is the Chief Executive Officer of The Capricornian Ltd. Mr Grounds has over 35 years' experience in Financial Services, in both urban and regional locations, and has undertaken a range of senior management and executive roles focusing on leadership, customers, operations, marketing, business analysis/project management and organisational change and improvement. Mr Grounds holds a Bachelor of Arts (Economics), Graduate Diploma of Management, Graduate Diploma of Financial Administration and a Master's Degree in Business Administration. Mr Grounds was a member of the company's Governance, People and Culture Committee, until his resignation on 31 July 2025.

Vincent PACE

Mr Pace is the Chief Financial Officer of People First Bank. Mr Pace has over 20 years' experience in executive finance, treasury and operations roles in the banking and utilities sectors. Before being appointed Chief Financial Officer at People First Bank, he was the People First Banks' Chief Operating Officer. Mr Pace was Chief Financial Officer at People's Choice Credit Union prior to this. Mr Pace is a Director of Mutual Marketplace, a specialist procurement business delivering savings for the Australian mutual industry. Mr Pace holds a Bachelor of Commerce and a Masters in Accounting and is a FCPA. Mr Pace was a member of the company's Digital Committee, until his resignation on 31 July 2025.

Anna -Leena RISKU

Ms Risku's career spans more than 30 years experience in the IT industry and over 10 years in the Financial Services sector in mutual banking and superannuation. She has both local and international executive experience across finance, operations and strategy. Having chaired various Audit and Governance committees, Ms Risku is an experienced company director and a Fellow of the Australian Institute of Company Directors (FAICD), where she is part of the education faculty. She currently serves as an independent member on RSL NSW's Audit & Risk Committee and was previously a member of a Finance Advisory Committee for a local council. Ms Risku was the Chair of the company's Audit Committee and was a member of the Risk Committee and the Contracts & Pricing Committee, until her resignation on 31 July 2025.

Robert James RYAN

Mr Ryan is the Chief Executive Officer of IMB Limited. Mr Ryan joined IMB Limited in 1999. Mr Ryan is a Director and Deputy Chair of The Flagstaff Group. Mr Ryan is a member of the University of Wollongong (UOW) Council and was elected to the position of Deputy Chancellor in January 2018. Mr Ryan is also a Director of the UOW Enterprises Board in Dubai (UOWD) and Hong Kong (CCCU) and is Chairman of the UOWD Board in Dubai. Prior to joining IMB, Mr Ryan held the positions of Managing Director, Chief Financial Officer and Company Secretary at Australian Resources Limited. Mr Ryan has extensive experience in finance and management at a senior executive and board level, has been involved in the formulation and implementation of strategic business plans, financial restructuring, staff management and development, as well as evaluation of acquisitions and divestments. Mr Ryan was a member of the company's Audit and Digital Committee's, until his resignation on 31 July 2025.

Bruce Kenneth WHITE

Mr White has been working in the finance and manufacturing industries for close to 30 years. Mr White has 19 years exposure to the operation of payment schemes in Australia. In his prior role, Mr White was Newcastle Greater Mutual Group Limited's Chief Information Officer and had executive management responsibility of the Bank's technology and payments functions. Mr White is a Director and Chair of the Audit and Risk committee at Newcastle Anglican. Mr White holds a Master of Business Administration from Charles Sturt University and is a Graduate Member of the Australian Institute of Company Directors. Mr White was the Chair of the company's Digital Committee, until his resignation on 31 July 2025.

Graeme Douglas Willis (Chair)

Mr Willis has had a career spanning over 40 years within financial services, including board and executive management positions with major European and Australasian banks. He is a former Non-Executive Director of Bank First and the Royal Automobile Club of Victoria. Mr Willis has completed a Management Development program at the Harvard Business School. Mr Willis is a Senior Fellow of the Financial Services Institute of Australasia (FINSIA), Fellow of the Australian Institute of Company Directors, Fellow of the Chartered Institute of Bankers (Scotland) and Fellow of the Governance Institute of Australia. Mr Willis was appointed Chair of the Board on 30 October 2018 and was a member of the company's Risk Committee, the Contracts and Pricing Committee and Chair of the Governance, People and Culture Committee, until his resignation on 31 July 2025.

Company Secretary

Allan Leslie MCGREGOR

Mr McGregor has over 25 years of experience working in risk management, compliance, project management, governance, company secretarial and internal audit. During this time Mr McGregor has gained extensive experience through roles in the banking, insurance, foreign exchange and energy industries in Australia including broader involvement in the Asia Pacific region. Mr McGregor holds a Bachelor of Science Degree and Master of Commerce in Finance and is a member of the Governance Institute of Australia.

Directors' Report (continued)

Directors' Meetings

The number of Directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of ASL during the financial year is set out below.

	Board	Audit	Risk	Contracts & Pricing	Digital	Governance, People & Culture
Number of Meetings Held:	24	5	5	9	4	4
Number of Meetings Attended:						
C J Bels	22	5	5	9	-	4
M P Colless	19	4	5	-	-	-
D F Grounds	13	-	-	-	-	4
V Pace ⁽¹⁾	10	-	-	-	3	-
A Risku	21	5	5	9	-	-
R J Ryan	17	4	-	-	4	-
B K White	16	-	-	-	4	-
G D Willis	21	4	5	9	4	2

Director Changes / Attendance Notes

(1) Mr Pace was appointed as a Director on 31 August 2024 and attended 10 out of the 11 scheduled Board meetings and 3 out of the 3 scheduled Digital Committees meetings, following his appointment.

The above table excludes circular resolutions passed by the Board or Board Committees.

Directors' Report (continued)

Principal Activities

The principal activities of ASL during the financial year ended 30 June 2025 were providing Customers (including System Participants) with settlement and associated services for ATM/eftpos, VISA, Mastercard, Direct Entry, BPAY, NPP, PEXA, Financial Crime and high value transactions, acting as a focal point for Customers to participate in the payments system, and developing payments services and strategies.

ASL is an Authorised Deposit-taking Institution (ADI) subject to prudential supervision by the Australian Prudential Regulation Authority (APRA) and operates an Exchange Settlement Account (ESA) at the Reserve Bank of Australia (RBA) which is used for the settlement of payment obligations of Customers.

Review of Operations

The company incurred a loss after income tax of \$1,803,256 for the financial year ended 30 June 2025 (2024: loss of \$1,940,091).

A growing customer base, along with improved net interest earnings and cost management has underpinned an improved financial performance on the prior reported year, prior to an impairment charge on intangible assets being recognised. ASL has continued to invest in payment solutions and products to support its customers.

The financial result included:

- Net Interest Income increasing by 58%;
- Net Fee Income increasing by 8%;
- Other Income increasing by 43%; and
- Regulatory capital growth of 18%.

Remuneration of directors and key management personnel

Information about the remuneration of key management personnel is disclosed in Note 29. The term 'key management personnel' refers to those persons having authority and responsibility for planning, directing, and controlling the activities of ASL, directly or indirectly, including any director (whether executive or otherwise) of ASL.

Transactions with directors and key management personnel

Transactions with key management personnel are disclosed in Note 29.

Shares under option, issued or granted to directors and key management personnel

No options over unissued shares or interests in ASL were granted during or since the end of the financial year and there were no options outstanding at the date of this report. No shares have been issued as a result of the exercise of an option.

Proceedings on behalf of ASL

No person has applied for leave of the Court to bring proceedings on behalf of ASL or interfere in any proceedings to which ASL is a party for the purpose of taking responsibility on behalf of ASL for all or part of those proceedings. ASL was not a party to any such proceedings during the year.

Prudential disclosures

Prudential disclosures made in accordance with APS 330 Public Disclosures can be located under Important Information on ASL's website at:
<https://www.asl.com.au/about/documents>

Capital adequacy

The capital adequacy ratio in the financial year 2025 was 19.09 % (2024: 17.26%). This remains above the minimum level required to be maintained as determined by the Board's risk appetite and APRA Prudential Standards.

Changes in the State of Affairs

On 1 August 2025, a share sale agreement between ASL, the ASL ordinary shareholders and Banking Circle S.A. (a European based payments bank) was executed with Banking Circle S.A. acquiring 100% of the ordinary shares of ASL. This share sale was completed following the approval of shareholders, as well as the required regulatory approvals, including approval from the Australian Prudential Regulatory Authority (APRA).

There are no other significant changes in the company's state of affairs during the year ended 30 June 2025.

Future developments

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this annual financial report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

Indemnification of Officers and Auditors

Insurance premiums have been paid to insure each of the Directors and Officers of the company against any costs and expenses incurred by them in defending any legal proceeding arising out of their conduct while acting in their capacity as a Director or Officer of the company. In accordance with normal commercial practice, disclosure of the premium amount and the nature of the insured liabilities is prohibited under the terms of the contracts. No additional cover has been provided for the benefit of the auditors of the company.

Environmental Regulation

The company's operations are not currently regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

Dividend

No dividend was declared nor paid during the financial year (2024: \$Nil).

Subsequent events

On 1 August 2025, a share sale agreement between ASL, the ASL ordinary shareholders and Banking Circle S.A. (A European based payments bank) was executed with Banking Circle S.A. acquiring 100% of the ordinary shares of ASL. This share sale was completed following the approval of shareholders, as well as the required regulatory approvals, including approval from the Australian Prudential Regulatory Authority (APRA)

The following subsequent events occurred as a result of the acquisition:

Subsequent change in ownership

Effective from 1 August 2025, the immediate parent entity of ASL is Banking Circle S.A. (unlisted public company). The parent company of Banking Circle S.A. is B. Circle Holding S.A., which is owned by EQT, a Swedish investment organisation.

The financial statements are prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The directors and immediate parent entity does not anticipate any significant changes to the operations of ASL in the foreseeable future.

Subsequent changes to ASL board of directors

On 1 August 2025 there was a change in the directors of the company. A number of directors resigned, and a number of new directors were appointed by the new shareholder. See the details in the listing of directors on page three.

Subsequent repayment of subordinated debt

A total of \$1,066,909 in perpetual subordinated debt was repaid, prior to the change of ownership, in full and the subordination deeds and loan agreements were terminated.

Subsequent redemption of system participation shares

ASL redeemed 28 \$1 system participation shares with effect from the acquisition date.

Subsequent lease agreement

As at date of this report, the Company is in the process of negotiating a new lease agreement for a new office premises. The lease has not yet been executed and therefore has not been recognised in the Company's financial statements for the year ended 30 June 2025. Once executed, the lease will be recognised in accordance with AASB 16 Leases.

Subsequent share capital transaction

As at date of this report, Banking Circle S.A., has committed to purchase \$1 million of ordinary shares of the Company. This transaction is not yet completed and has therefore not been reflected in the Company's financial statements for the year ended 30 June 2025.

Subsequent events

Other than the above, no matter or circumstance has arisen subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

Rounding off of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and in accordance with that Corporations Instrument amounts in the directors' report are rounded off to the nearest dollar, unless otherwise indicated.

Going concern

The Directors have at the time of approving the financial statements, a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included after this report.

Declaration

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

On behalf of the Directors



Matthew Lawrance

Director



Wolfgang Gaertner

Director

Sydney, 25 September 2025

Auditor's Independence Declaration

Deloitte.

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25 September 2025

The Directors
Australian Settlements Limited
3/151 Castlereagh St
Sydney, NSW, 2000

Dear Board Members,

Auditor's Independence Declaration to Australian Settlements Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Directors of Australian Settlements Limited.

As lead audit partner for the audit of the financial report of Australian Settlements Limited for the year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- The auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- Any applicable code of professional conduct in relation to the audit.

Yours faithfully



DELOITTE TOUCHE TOHMATSU



Tom Bottomley-Mason

Partner

Chartered Accountants

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

	Note	2025	2024
		\$	\$
Continuing operations			
Income			
Interest income	2	16,976,912	14,431,563
Interest expense	2	(12,730,520)	(11,740,554)
Net interest income		4,246,392	2,691,009
Fee Income	3	11,740,405	11,661,737
Processing costs		(2,511,873)	(3,143,325)
Net fee income		9,228,532	8,518,412
Other income	3	2,604,711	1,818,063
Net non-interest income		11,833,243	10,336,475
Gross profit		16,079,635	13,027,484
Expenses			
Employee benefits expenses	4	(7,410,076)	(7,112,909)
Information Technology Expenses		(4,688,393)	(3,415,616)
Professional Services		(1,274,133)	(2,402,337)
Occupancy Costs	5	(282,950)	(287,150)
Other expenses		(394,463)	(548,833)
Depreciation and amortisation expenses	6	(1,477,545)	(1,290,905)
Write-off of Other Receivables		-	(550,000)
Impairment of Intangible Assets	14	(2,926,500)	-
(Loss)/Profit for the year before income tax		(2,374,425)	(2,580,266)
Income tax benefit/(expense)	7	571,171	640,175
(Loss)/Profit for the year from continuing operations after income tax		(1,803,254)	(1,940,091)
Other comprehensive income for the year, net of income tax			
<i>Items that will not be reclassified subsequently to profit:</i>			
Movement in reserve for investment in equity instruments designated as at FVTOCI	22	44,171	61,888
Total other comprehensive income, net of income tax		44,171	61,888
Total comprehensive (loss)/income for the year attributable to the owners of the company		(1,759,083)	(1,878,203)

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

Statement of Financial Position

As at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Cash and cash equivalents	8	379,401,757	293,322,033
Investment securities at amortised cost	9	79,173,110	76,035,072
Trade and interest receivables	10	2,997,030	3,118,220
Other assets	11	1,071,412	971,908
Plant and equipment	12	1,165,550	1,708,617
Right-of-use assets	13	79,417	317,668
Intangibles	14	1,155,078	4,847,143
Net deferred tax assets	7	949,064	392,617
Equity Instruments at FVTOCI	15	2,710,445	2,651,548
Total assets		468,702,863	383,364,826
Liabilities			
Trade and other payables	16	5,188,118	3,416,830
Provisions	17	2,055,984	1,681,299
Deposits and borrowings	18	447,801,306	362,550,590
Lease liability	19	107,604	407,172
System participant shares	20	28	29
Total liabilities		455,153,040	368,055,920
Net assets		13,549,823	15,308,906
Equity			
Contributed equity	21	3,979,005	3,979,005
Reserves	22	532,833	488,662
Retained earnings	23	9,037,985	10,841,239
Total equity attributable to the Members of the company		13,549,823	15,308,906

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

Statement of Changes in Equity

For the year ended 30 June 2025

	Contributed Equity	Equity investment revaluation reserve	Retained Earnings	Total Equity
Note	21	22	23	
	\$	\$	\$	\$
Balance at 30 June 2023	3,979,005	426,774	12,781,330	17,187,109
(Loss)/Profit for the year	-	-	(1,940,091)	(1,940,091)
Other comprehensive income	-	61,888	-	61,888
Total comprehensive (loss)/ income for the year	-	61,888	(1,940,091)	(1,878,203)
Issue of Ordinary Non-Voting Share	-	-	-	-
Dividends provided for or paid	-	-	-	-
Balance at 30 June 2024	3,979,005	488,662	10,841,239	15,308,906
(Loss)/Profit for the year	-	-	(1,803,254)	(1,803,254)
Other comprehensive income	-	44,171	-	44,171
Total comprehensive (loss)/income for the year	-	44,171	(1,803,254)	(1,759,083)
Issue of Ordinary Non-Voting Share	-	-	-	-
Dividends provided for or paid	-	-	-	-
Balance at 30 June 2025	3,979,005	532,833	9,037,985	13,549,823

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

Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025	2024
		\$	\$
Cash flows from operating activities			
Interest received		17,231,694	13,872,466
Interest paid		(12,524,501)	(11,762,647)
Fees & other income received (inclusive of GST)		14,969,888	14,332,558
Payments to suppliers and employees (inclusive of GST)		(15,241,555)	(18,208,555)
Net income tax received / (paid)		-	-
Cashflow from operating activities before changes in operating assets and liabilities		4,435,526	(1,766,178)
Net (increase)/decrease in investments securities		(3,138,038)	15,315,364
Net increase (decrease) in deposits & borrowings		85,250,716	(1,207,069)
Net cash (used in)/from operating activities	25	86,548,204	12,342,117
Cash flows from investing activities			
Purchase of plant and equipment and intangibles		(168,914)	(598,575)
Dividends received from equity instruments designated at FVTOCI		-	-
Net cash from/(used in) investing activities		(168,914)	(598,575)
Cash flows from financing activities			
Dividends paid		-	-
Repayment of lease liabilities		(299,568)	(262,355)
Net cash (used in)/from financing activities		(299,568)	(262,355)
Net increase (decrease) in cash and cash equivalents		86,079,722	11,481,187
Cash and cash equivalents at the beginning of the financial year		293,322,033	281,840,846
Cash and cash equivalents at end of the year	25	379,401,755	293,322,033

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

Notes to the Financial Statements

For the year ended 30 June 2025

Note 1: Summary of material Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements have been prepared for ASL as an individual entity.

a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the *Australian Accounting Standards Board (AASB)* and the *Corporations Act 2001*. ASL is a for profit entity for the purpose of preparing the financial statements. All amounts are presented in Australian dollars.

(i) Compliance with IFRS

These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities (including derivative instruments), which are measured at fair value.

(iii) Changes in Comparatives

Certain comparative amounts included in the primary financial statements have been reclassified to conform with the presentation adopted in the current year financial statements which more closely aligns with current industry practice and to provide more relevant financial information.

In particular, the statement of cash flows has been amended to reclassify movements in investments securities and deposits & borrowings into operating activities in line with current industry practice.

b) Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. Management is also required to exercise its judgement in the process of applying the company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other

factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.

The following are the critical judgements that management have made in the process of applying the company's accounting policies and that have the most significant effect in the amounts recognised in the financial statements:

Note 15 – Equity Instruments at FVTOCI

c) Presentation format

The Statement of Financial Position has been prepared in order of liquidity.

d) Income Tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Notes to the Financial Statements

For the year ended 30 June 2025

reporting period and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

e) Financial instruments

ASL initially recognises financial assets on the trade date at which the company becomes a party to the contractual provisions of the instrument.

Financial assets are initially measured at fair value. If the financial asset is not subsequently measured at fair value through profit or loss, then the initial measurement includes transaction costs that are directly attributable to the asset's acquisition or origination. The company subsequently measures financial assets at either amortised cost or fair value. Premiums or discounts are amortised using the effective interest method. Any decline in value of these investments leading to the inability to recover the investment or part thereof are recorded, and any impairment is recognised in the Statement of Profit or Loss.

All recognised financial assets are measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- Debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortised cost.
- Debt investments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income (FVTOCI).
- All other debt investments and equity investments are subsequently measured at fair value through profit or loss (FVTPL).

When a debt investment measured at FVTOCI is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss.

Financial assets are not reclassified subsequent to their initial recognition, except when there is a change to business model for managing financial assets.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired. Derecognition also occurs when the rights to receive cash flows from financial assets have been transferred together with substantially all of their risks and rewards. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

f) Plant and equipment

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

The carrying amount of plant and equipment is reviewed annually to ensure it is not stated above its recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows

Notes to the Financial Statements

For the year ended 30 June 2025

that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Subsequent costs are included in the assets' 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 company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

The depreciable amount of all fixed assets, including leased assets, is depreciated on a straight-line basis over the asset's useful life 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 asset are:

Computer hardware & software	3 to 10 years
Office equipment	3 to 15 years
Furniture and fittings	5 to 15 years
Intangible assets	5 to 10 years

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 or losses are included in profit or loss.

g) Right-of-use assets

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

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

h) Intangible assets

Internally generated intangible assets include costs incurred in developing products or systems that are expected to contribute to future financial benefits through the generation of revenue and/or cost reduction. The costs are only capitalised if they can be reliably measured during the development of the asset. Recognition of an internally generated intangible asset will only take place if it can be demonstrated that it is technically feasible to complete the asset and the company has the intention and ability to complete the asset so that it can be made available for sale or use.

Intangible assets are amortised from the point in time that they are available for sale or in use as intended by management. Amortisation is calculated on a straight line basis, over a period ranging from 5 to 10 years.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

i) Software-as-a-service (SaaS)

SaaS arrangements are service contracts providing the Company with the right to access the cloud provider's application software over a contract period. As such, the Company does not receive a software intangible asset at the contract commencement date.

Notes to the Financial Statements

For the year ended 30 June 2025

The accounting treatment of costs incurred in relation to SaaS arrangements are set out below:

- Fee for use of application software and customisation costs are recognised as an operating expense over the term of the service contract; and
- Configuration costs, data conversion and migration costs, testing costs, training costs and customisation costs are recognised as an operating expense as the service is received.

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on premise systems and meets the definition of and recognition criteria for an intangible asset, are recognised as intangible software assets.

j) Impairment of assets

At each reporting date the company reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets may be impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to profit or loss.

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

k) Lease liabilities

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

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

l) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service, are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the end of the reporting period on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

Notes to the Financial Statements

For the year ended 30 June 2025

m) Provisions

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

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

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

An onerous lease contract liability is recognised when the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The liability is determined by estimating the present value of the minimum future contractual payments the Company is obligated to make under the onerous contract.

n) Contributed equity

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

o) Cash and cash equivalents

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

p) Revenue recognition

Revenue is recognised upon satisfying the performance obligations by the company. The principal sources of revenue are interest income, and fee and other income.

(i) Interest Income

Interest Income is recognised on a time proportion basis using the effective interest on the financial asset in accordance with AASB 9. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the company estimates cash flows considering all fees paid or received between parties, transaction costs, premiums incurred or discounts received in relation to the contract that are an integral part of the effective interest rate.

(ii) Fee and Other Income

Fee and Other Income relates to specific transaction delivery, settlement activity or related events and are generally charged to a customer on a monthly basis. In accordance with AASB 15, Fee and Other Income is recognised at a point in time when the performance obligation is satisfied. However, when they are charged for services provided over a period, the income is recorded over time. All performance obligations for these services are expected to be completed in one year.

All revenue is stated net of the amount of goods and services tax (GST).

q) Goods and Services Tax

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

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

Notes to the Financial Statements

For the year ended 30 June 2025

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

r) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for expected credit loss. Trade receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

s) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of

the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method

t) Deposits and borrowings

Deposits represent the funds lodged by Customers held to cover their settlement obligations, and other funds deposited. For further information refer to note 18.

Deposits and borrowings are classified as current liabilities unless ASL has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

u) Foreign currency translation

The company has expenses payable in foreign currencies. Payments of these expenses are translated into Australian dollars at the time of remittance. The exposures of these foreign currency payments is not material against the company's overall expenses.

v) Rounding off of amounts

The company is of a kind referred to in Class Order 2016/191, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts. All amounts are shown to the nearest Australian \$ dollar, except where indicated.

Notes to the Financial Statements

For the year ended 30 June 2025

w) Adoption of new and revised Australian Accounting Standards

New and amended Australian Accounting Standards that are effective for the current year

The company has adopted all the new and revised Standards [and Interpretations] issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations (if any) and effective for an accounting period that begins on or after 1 July 2024.

New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

At the date of authorisation of the financial statements, the company has not applied the following new and revised Australian Accounting Standards, Interpretations and amendments that have been issued but are not yet effective, of which are relevant to its operations:

Standard/amendment	Effective for annual reporting periods beginning on or after	Nature of the change and expected impact
AASB 18 Presentation and Disclosure in Financial Statements	1 January 2027 (effective for 30 June 2028)	AASB 18 replaces AASB 101 Presentation of Financial Statements. It will not change the recognition and measurement of items in the financial statements, but will affect presentation and disclosure in the financial statements, including introducing new categories and defined subtotals in the statement of profit or loss, requiring the disclosure of management-defined performance measures, and changing the grouping of information in the financial statements.
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate related Disclosures	1 July 2027 (effective for 30 June 2028)	Entities in Group 3 (smaller entities) of mandatory reporting will have disclosure relief where governance and risk management processes undertaken by the Board conclude no material climate risks and opportunities exist. Such entities will be able to comply by stating they do not have material climate-related risks and opportunities (where this is the case).
Other considerations		Nature of the change and expected impact
Pillar Two Global Minimum Tax (Pillar Two) ASL has applied the mandatory exemption to recognising and disclosing information about deferred tax assets Pillar Two Global Minimum Tax (Pillar Two) in Australia and liabilities related to Pillar Two.		The company is expected to be within the scope of the Organisation for Economic Co-operation and Development (OECD) for income years from 1 July 2025. The company will continue to monitor developments in global tax regulations and reassess its position as necessary in future reporting periods.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 2: Interest income and interest expense

The following tables for Interest income and Interest expense show the average balance for each of the main categories of interest-bearing assets and liabilities, the amount of interest revenue or interest expense and the average interest rate.

Interest income and Interest expense	Average Balance	Amount	Average Rate
	\$	\$	%
2025			
Interest revenue			
Cash and cash equivalents	367,392,552	13,929,355	3.79%
Investment securities at amortised cost	96,521,435	3,047,557	3.16%
Total interest revenue		16,976,912	
2025			
Interest expense			
Deposits	427,353,792	12,700,233	2.97%
Borrowings - Subordinated debt – Tranche 1	115,887	6,063	5.23%
Borrowings - Subordinated debt – Tranche 2	951,022	-	0.00%
Leases	248,758	24,224	9.74%
Total interest expense		12,730,520	
Net interest income/(expense)		4,246,392	

Interest income and Interest expense	Average Balance	Amount	Average Rate
	\$	\$	%
2024			
Interest revenue			
Cash and cash equivalents	286,201,497	11,279,051	3.94%
Investment securities at amortised cost	91,686,301	3,152,512	3.44%
Total interest revenue		14,431,563	
2024			
Interest expense			
Deposits	343,595,828	11,685,586	3.40%
Borrowings - Subordinated debt – Tranche 1	115,887	6,114	5.28%
Borrowings - Subordinated debt – Tranche 2	951,022	-	0.00%
Leases	529,920	48,854	9.22%
Total interest expense		11,740,554	
Net interest income/(expense)		2,691,009	

Notes to the Financial Statements

For the year ended 30 June 2025

Note 3: Fee and other income

	2025	2024
	\$	\$
Fee Income	11,740,405	11,661,737
Project Income	2,011,860	1,038,852
Other Income	592,851	779,211
Total fee and other Income	14,345,116	13,479,800

Note 4: Employment benefits expenses

	2025	2024
	\$	\$
Salary and salary related expenses	6,864,129	6,664,465
Board and committee related expenses	460,863	348,579
Other employment expenses	85,084	99,865
Total employment expenses	7,410,076	7,112,909

Note 5: Occupancy expenses

	2025	2024
	\$	\$
Depreciation: right-of-use assets - Building	238,251	238,251
Depreciation: right-of-use assets - Other	-	1,735
Other outgoings	44,699	47,164
Total occupancy expenses	282,950	287,150

Note 6: Depreciation and amortisation

	2025	2024
	\$	\$
Depreciation		
Computer hardware and software	527,103	526,954
Office equipment	279	2,447
Furniture and fittings	26,456	26,188
Total depreciation plant and equipment	553,838	555,589
Amortisation		
Software licences at cost	61,092	61,092
Internally generated intangible	862,615	674,224
Total amortisation of intangible assets	923,707	735,316
Total depreciation and amortisation	1,477,545	1,290,905

Notes to the Financial Statements

For the year ended 30 June 2025

Note 7: Income Tax Expense

(a) Income tax expense

	2025	2024
	\$	\$
Current income tax (benefit)/payable	-	-
Deferred tax – origination and reversal of temporary differences	(571,171)	(640,175)
Total income tax (benefit)/expense reported in the statement of profit or loss and other comprehensive income	(571,171)	(640,175)

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

	2025	2024
	\$	\$
Accounting profit/(loss) for the year before income tax	(2,374,425)	(2,580,266)
Tax at the Australian tax rate @ 25% (2024: 25%)	(593,607)	(645,067)
Tax effect of:		
Non-deductible expenditure	3,938	4,892
Adjustment of deferred tax assets and liabilities of previous years	18,498	-
Income tax (benefit)/expense	(571,171)	(640,175)

(c) Deferred tax balances

	2025	2024
	\$	\$
Deferred tax assets		
<i>Amounts recognised in profit or loss:</i>		
Property, plant, and equipment	31,308	29,407
Intangible Assets	124,298	-
Employee benefits	236,480	202,295
Leases	26,901	101,793
Provision for lease make good	18,750	18,750
Accrued expenses	239,432	208,803
Tax losses	424,193	531,431
Business Capital Cost	195,946	168,972
Deferred tax assets	1,297,308	1,261,451
Opening balance at 1 July	1,261,451	733,563
Charged to the income statement	35,859	527,888
Closing balance at 30 June	1,297,308	1,261,451

Notes to the Financial Statements

For the year ended 30 June 2025

Note 7: Income Tax Expense

	\$	\$
Deferred tax liabilities		
<i>Amounts recognised in profit or loss:</i>		
Property, plant, and equipment	150,780	197,175
Intangible assets	-	428,814
Right of use asset	19,853	79,417
Prepayment	-	541
	170,633	705,947
<i>Amounts recognised in equity:</i>		
Revaluation of equity instruments at FVTOCI	177,611	162,887
	177,611	162,887
Deferred tax liabilities	348,244	868,834
Net deferred tax assets/(liabilities) 7	949,064	392,617
Opening balance at 1 July	868,834	960,491
Charged to the income statement	(535,311)	(112,286)
Charged to other comprehensive income	14,726	20,629
Closing balance at 30 June	348,247	868,834

(d) Unused losses

As at 30 June 2025, the company has cumulative unused tax losses of \$1,696,771 (30 June 2024: \$2,125,724), equating to a future tax benefit of \$424,193 (30 June 2024: \$531,431). A deferred tax asset of \$424,193 has been recognised to reflect this (30 June 2024: \$531,431).

(e) Recoverability of deferred tax assets

Management has assessed the recoverability of the cumulative unused tax losses and the temporary timing differences as at 30 June 2025. Deferred tax assets relating to unused losses and deductible temporary differences 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.

Management has determined that sufficient profits will be available against which the deferred tax asset can be utilised. This assessment is based on the latest multi-year forecast approved by the Board. The company is expected to generate taxable income from 2026 onwards.

(f) Pillar Two Global Minimum Tax (Pillar Two)

The company is expected to be within the scope of the Organisation for Economic Co-operation and Development (OECD) for income years from 1 July 2025. The company will continue to monitor developments in global tax regulations and reassess its position as necessary in future reporting periods.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 8: Cash and Cash Equivalents

	Note	2025 \$	2024 \$
Exchange Settlement Account (RBA)		328,544,901	254,662,242
Deposits with Australian ADIs		50,671,867	38,474,802
Term Deposit held against bank guarantee – Rental Guarantee	32	184,989	184,989
Total Cash and Cash Equivalents	25	379,401,757	293,322,033

(a) Exchange Settlement Account

ASL holds funds from Customers to cover settlement obligations. Part of these funds are held in an Exchange Settlement Account in accordance with the RBA's requirement.

(b) Deposits with Australian ADIs

These cash balances represent part of the Customers' funds held for settlement obligations and voluntary funds. Customers hold above the settlement funding requirements as a tool of their own short-term liquidity management. These funds are held in at call accounts with Australian ADIs. Interest is calculated and earned on these balances at prevailing market rates. It also includes liquid assets of ASL.

(c) Maturity period

Refer to note 27 for ASL's exposure to liquidity risk and the maturity profile.

(d) Fair value measurement

The fair value of cash and cash equivalents are not materially different to the carrying amount due to the short-term nature of these instruments. Refer to note 28 for information on fair value measurement.

(e) Expected credit losses

The cash balances are denominated in Australian Dollars and held with APRA regulated Australian financial institutions. These balances are considered to meet the definition of a low-risk investment and have been considered on this basis for the allowance for credit losses. The expected credit loss is \$Nil for 30 June 2025 (2024: \$Nil).

Notes to the Financial Statements

For the year ended 30 June 2025

Note 9: Investment securities at amortised cost

	2025	2024
	\$	\$
Government Securities	50,456,434	60,138,047
Fixed bonds/Floating Rate Notes (FRN)	28,716,676	15,897,025
Total Investment securities at amortised cost	79,173,110	76,035,072
With Banks	28,716,676	15,897,025
With Australian government and semi-government issuers	50,456,434	60,138,047
Total Investment securities at amortised cost by concentration	79,173,110	76,035,072

(a) Maturity profile

The financial assets at amortised cost are held for less than 12 months (2024: less than 12 months). Refer to note 27 for ASL's exposure to liquidity risk.

(b) Fair value measurement

The fair value of financial assets at amortised cost is not materially different to the carrying amount due to the short-term nature of these instruments. Refer to note 28 for information on fair value measurement.

(c) Investments pledged as collateral.

No investments are pledged as collateral (2024: None).

(d) Expected credit losses

The investment securities are denominated in Australian Dollars and held with APRA regulated Australian financial institutions and Australian Governments. These receivables are considered to meet the definition of a low-risk investment and have been considered on this basis for the allowance for credit losses. The expected credit loss is \$Nil for 30 June 2025 (2024: \$Nil).

Notes to the Financial Statements

For the year ended 30 June 2025

Note 10: Trade and Interest Receivables

	2025	2024
	\$	\$
Current		
Interest receivable – RBA	915,415	667,670
Interest receivable – ADIs	531,653	319,633
Interest receivable – Government Securities	332,845	1,047,392
Trade receivables	1,213,780	954,954
Accrued Income	3,337	128,571
Total trade and interest receivables	2,997,030	3,118,220

(a) Interest receivable – RBA

Interest receivable represents interest not yet received from the RBA, on funds held in ASL's Exchange Settlement Account, which is due for receipt on the first working day of the following financial period.

(b) Interest receivable – ADI and Government securities

Interest receivable represents interest not yet received from the Investment securities at amortised cost, on investments held in ADI's and Government securities, which is due for receipt in the following financial period.

(c) Trade receivables

Trade receivables are non-interest bearing and are generally on 30-day terms.

(d) Maturity profile

The trade and interest receivable amounts are expected to be recovered within the next 12 months (2024: within the next 12 months). Refer to note 27 for ASL's exposure to liquidity risk.

(e) Fair value measurement

The fair value of trade and interest receivables are not materially different to the carrying amount due to the short-term nature of these instruments. Refer to note 28 for information on fair value measurement.

(f) Expected credit losses

The trade and interest receivables are short-term in nature and dependent on the terms and conditions of the related contract, where one exists. The expected credit loss is \$Nil for 30 June 2025 (2024: \$Nil).

Note 11: Other Assets

	2025	2024
	\$	\$
Prepayments and deposits	1,071,412	971,908
Total other assets	1,071,412	971,908

(a) Maturity profile

The other assets amounts are expected to be recovered within the next 12 months (2024: within the next 12 months).

(b) Fair value measurement

The fair value of other assets is not materially different to the carrying amount due to the short-term nature of these instruments.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 12: Plant and Equipment

	2025 \$	2024 \$
Computer hardware and software		
At cost	6,918,726	6,907,953
Accumulated depreciation and amortisation	(5,761,911)	(5,234,806)
Total Computer hardware and software	1,156,815	1,673,147
Office equipment		
At cost	84,256	84,256
Accumulated depreciation	(84,256)	(83,977)
Total Office equipment	-	279
Furniture and fittings		
At cost	327,014	327,014
Accumulated depreciation	(318,279)	(291,823)
Total Furniture and fittings	8,735	35,191
Total plant and equipment	1,165,550	1,708,617

Movements in carrying amounts

	2025 \$	2024 \$
Computer hardware and software		
Carrying amount at beginning of year	1,673,147	2,180,213
Additions	10,773	19,886
Depreciation expense	(527,105)	(526,952)
Total Computer hardware and software	1,156,815	1,673,147
Office equipment		
Carrying amount at beginning of year	279	2,726
Depreciation expense	(279)	(2,447)
Total Office equipment	-	279
Furniture and fittings		
Carrying amount at beginning of year	35,191	61,378
Depreciation expense	(26,456)	(26,187)
Total Furniture and fittings	8,735	35,191
Total plant and equipment	1,165,550	1,708,617

Notes to the Financial Statements

For the year ended 30 June 2025

Note 12: Plant and Equipment

(a) Maturity profile

Plant and equipment with remaining expected useful lives of less than 12 months after the balance date is \$Nil (2024: \$Nil). All other remaining items of plant and equipment have expected useful lives longer than 12 months after the balance date for both current and prior period.

(b) Impairment of plant and equipment

Plant and equipment are tested for impairment in accordance with AASB 136 Impairment of Assets. The company has analysed its plant and equipment for impairment and has concluded there is no indication the assets are impaired. (2024: \$Nil)

Note 13: Right-of-use-assets

	2025 \$	2024 \$
Buildings		
Right-of-use	1,523,972	1,523,972
Accumulated depreciation	(1,444,555)	(1,206,304)
	79,417	317,668
Other assets		
Right-of-use	18,484	18,484
Accumulated depreciation	(18,484)	(18,484)
	-	-
Total right-of-use assets	79,417	317,668

Movements in carrying amounts

	2025 \$	2024 \$
Buildings		
Carrying amount at beginning of year	317,668	555,919
Additions	-	-
Depreciation expense	(238,251)	(238,251)
Total Buildings	79,417	317,668
Total right-of-use assets	79,417	317,668

(a) Maturity profile

The company leases one premise with a lease term of 6 years, ending in October 2025.

(b) Make-good provisions and bank guarantee

A make-good provision is recorded in the provisions, refer to Note 17. The company has a bank guarantee in place for the property lease, refer to Note 32.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 13: Right-of-use-assets

(c) Impairment of right-of-assets

Under AASB 16 Right-of-use assets, the assets are tested for impairment in accordance with AASB 136 Impairment of Assets. The company has analysed its right-of-use assets for impairment and has concluded there is no indication the right-of-use assets are impaired. (2024: \$Nil)

Note 14: Intangible Assets

	2025	2024
	\$	\$
Software licences at cost	610,915	610,915
Internally generated intangible at cost	7,515,186	7,144,605
Software development - Work in progress	-	212,440
Less: Accumulated amortisation	(4,044,523)	(3,120,817)
Less: Impairment expense	(2,926,500)	-
Total intangible assets	1,155,078	4,847,143

Movements in carrying amounts

	2025	2024
	\$	\$
Carrying amount at beginning of year	4,847,143	5,003,769
Additions	158,141	578,689
Amortisation	(923,706)	(735,315)
Impairment of intangible assets	(2,926,500)	-
Carrying amount at end of year	1,155,078	4,847,143

(a) Maturity profile

Intangible assets with remaining expected useful lives of less than 12 months after the balance date is \$Nil (2024: \$Nil). All other remaining items of intangible assets have expected useful lives longer than 12 months after the balance date for both current and prior period.

(b) Impairment of intangible assets and work in progress

For the financial year ended 30 June 2025, the Company completed an assessment of the carrying amounts of its intangible assets in accordance with AASB 136 Impairment of Assets. The assessment identified that the recoverable amount was below the carrying amount, resulting in an impairment of \$2,926,500 million. As a result, the Company recognised an impairment loss of \$2,926,500 (2024: \$nil).

Notes to the Financial Statements

For the year ended 30 June 2025

Note 15: Equity Instruments at FVTOCI

	2025	2024
	\$	\$
Unlisted shares in Australian Payments Plus Ltd	2,710,445	2,651,548
Total equity instruments at FVTOCI	2,710,445	2,651,548

Equity investment revaluation reserve

	2025	2024
	\$	\$
Carrying amount at beginning of year	488,662	426,774
Net change in fair value recognised in other comprehensive income, gross of tax	58,897	82,517
Income tax relating to items that will not be reclassified subsequently to profit or loss	(14,726)	(20,629)
Carrying amount at end of year	532,833	488,662

(a) Disclosures on shares valued with unobservable inputs for Australian Payments Plus Ltd

ASL held 2,000 preference shares, at \$1,000 per share, in NPP Australia Limited (NPPA) until 8 February 2022, which were classified as Equity Instruments - other comprehensive income, valued at \$2,000,000. On 9 February 2022 a transfer of shares arrangement occurred between NPP Australia Pty Limited and Australian Payments Plus Ltd (AP+), resulting in ASL being issued 2,000 \$1,000 preference shares in AP+. On 8 February 2022, ASL was also issued with an additional one \$1,000 preference share in AP+, as a result of a share transfer arrangement between eftpos Payments Australia Limited (EPAL) and AP+, in regard to ASL's membership of EPAL. ASL made an irrevocable election on initial recognition to measure the equity investments in AP+, which is not held for trading at fair value through other comprehensive income (FVTOCI).

The 2,001 preference shares, at \$1,000 per share, were recognised at fair value on acquisition, at \$2,001,000. Management has used unobservable inputs to assess the fair value of the shares and assessed that an adjusted net tangible asset per share (from the available financial information) is a reasonable approximation of the fair value.

(b) Fair value measurement

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVTOCI. Subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. ASL has determined the fair value of its shares in Australian Payments Plus Ltd using level 3 unobservable fair value techniques based on the latest of audited financial statements, interim unaudited accounts, and recent share transactions using recent arm's length transactions (if any).

(c) Dividends

ASL did not receive any dividends (2024: \$Nil).

(d) Maturity profile

ASL is not intending to dispose of these shares and therefore the investment does not mature. Refer to note 27 for ASL's exposure to liquidity risk.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 15: Equity Instruments at FVTOCI

(e) Disclosures on valuation of shares

Valuation approach	Unobservable inputs used	Fair value at 30 June 2025 \$	Fair value at 30 June 2024 \$	Relationship of unobservable inputs to fair value
Measurement of the value of the shares have been made with reference to the net asset, adjusted for goodwill and deferred tax assets, backing per share.	Net asset backing per share from audited financial statements. The majority of assets are disclosed at fair value, and for those assets disclosed at amortised cost, it would be reasonable to expect the fair value would be equivalent to cost.	2,710,445	2,651,548	An increase /decrease of 10% on the net asset backing per share would result in an increase/decrease in the fair value by \$271,045. (2024: \$265,155)
The value is taken from the most recent available financial information from the organisation.	30 June 2025: \$1,355 per share, Total shares: 2001			
An uncertainty factor of 15% is applied for timing of valuation.	30 June 2024: \$1,325 per share, Total shares: 2001			

Refer to note 28 for information on fair value measurement.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 16: Trade and Other Payables

	2025	2024
	\$	\$
Current		
Trade payables	288,733	1,225,593
Other payables	3,561,777	437,891
Income received in advance	261,508	852,978
Accrued interest payable on deposits and borrowings	1,076,100	900,368
Total trade and other payables	5,188,118	3,416,830

(a) Trade payables

Trade payables are non-interest bearing and are generally on 30 days terms.

(b) Other payables and income received in advance

The other payables are expected to be paid within the next 12 months. This includes an amount received in advance for customer settlements at the end of the financial year, which settled in the new financial year (2024: \$Nil).

(c) Accrued interest payable on deposits and borrowings

This represents the interest payable, monthly in arrears on funds placed by Customers and interest paid quarterly on subordinated debt.

(d) Maturity profile

The (unsecured) trade and other payables are expected to be paid within the next 12 months. Refer to note 27 for the liquidity risk management and maturity profile of the trade and other payables.

(e) Fair value measurement

The carrying values of trade and other payables are considered to be a reasonable approximation of fair value. Refer to note 28 for information on fair value measurement.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 17: Provisions

	2025 \$	2024 \$
<i>Current</i>		
Employee entitlements	1,748,549	1,373,085
Other	225,893	258,313
Total current provisions	1,974,442	1,631,398
<i>Non-current</i>		
Employee entitlements	81,542	49,901
Other	-	-
Total provisions	2,055,984	1,681,299

Movements in carrying amounts

	2025 \$	2024 \$
Provisions		
Carrying amount at beginning of year	1,681,300	1,150,750
Additional provision and utilisation during the year	1,267,966	798,132
Release of provisions	(893,282)	(267,583)
Carrying amount at end of year	2,055,984	1,681,299

(a) Provisions for employee entitlements

The provision includes short-term incentives, annual leave and long service leave which cover the Company's liabilities and obligations. This provision is calculated based on expected payments. Where the payments are expected to be more than one year in the future, it factors in the expected period of service by employees, as well as salary increases. These future obligations are discounted using a market observable rate.

(b) Other provisions

The provision includes make good and other provisions which cover the Company's liabilities and obligations. This provision is calculated based on expected payments. These future obligations are discounted using a market observable rate.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 18: Deposits and borrowings

	2025	2024
	\$	\$
Customer Mandated funds	177,575,355	156,008,817
Other Customer funds	269,159,042	205,474,864
Perpetual subordinated debt	1,066,909	1,066,909
Total deposits and borrowings	447,801,306	362,550,590
At call	446,734,397	361,483,681
No maturity specified	1,066,909	1,066,909
Total deposits and borrowings by maturity	447,801,306	362,550,590
Authorised Deposit Institutions	330,389,841	349,455,235
Other organisations	117,411,465	13,095,355
Total deposits by concentration	447,801,306	362,550,590

All deposits and borrowings are unsecured. Deposits are from Customers who utilise the company's exchange settlement function with the RBA.

(a) Customer Mandated funds

ASL holds funds from Customers to cover settlement obligations.

(b) Other Customer funds

These funds represent Customers voluntary funds held with ASL.

(c) Perpetual subordinated debt

Perpetual subordinated debt was issued by ASL is subordinated to all other creditors of ASL, is perpetual, and the lenders cannot claim repayment of the debt or offset the debt other than in very narrow circumstances. Refer to note 34 regarding repayment of the perpetual subordinated debt as a subsequent event after the reporting period.

(d) Maturity profile

Deposits are at call (current). Perpetual subordinated debt of \$1,066,909 has no maturity specified (2024: \$1,066,909). Refer to note 27 for the liquidity risk management based on contractual undiscounted payments.

(e) Fair value measurement

The fair value of deposits and borrowings at amortised cost is not materially different to the carrying amount due to the at call and/or short-term nature of these instruments. Refer to note 28 for information on fair value measurement

(f) Interest payable on borrowings

The accrual is recorded in note 16 under trade and other payables.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 19: Lease liability

	2025	2024
	\$	\$
Lease liabilities	107,604	407,172
Total lease liabilities	107,604	407,172

Movements in carrying amounts

	2025	2024
	\$	\$
Buildings		
Lease Liability	407,170	667,350
Accretion of interest	24,224	48,819
Payments	(323,790)	(308,997)
	107,604	407,172
Other assets		
Lease Liability	-	2,175
Accretion of interest	-	37
Payments	-	(2,212)
Total Lease Liabilities	107,604	407,172
Analysed as:		
Current	107,604	299,566
Non-current	-	107,604

The company leases one premise with a lease term of 6 years, ending in October 2025. Refer to note 27 for the liquidity risk management based on contractual undiscounted payments. The company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the company's finance function.

The Statement of Profit & Loss shows following amounts relating to leases:

	2025	2024
	\$	\$
Profit and loss impact relating to leases		
Depreciation charge on right-of-use assets	238,251	238,251
Interest expense on lease liabilities	24,224	48,854
Total profit and loss impact relating to leases	262,475	287,105

The total cash outflow for leases for the year ending 30 June 2025 was \$299,568 (2024: \$262,355).

Notes to the Financial Statements

For the year ended 30 June 2025

Note 20: System Participant Shares

	2025	2024	2025	2024
	\$	\$	Shares	Shares
Fully paid system participant shares at \$1	28	29	28	29

(a) Redeemable preference shares

Each System Participant of ASL must hold one fully paid system participant share. The effect of holding the share is to bind the System Participant to ASL's By-Laws including the settlement procedures and rules. These shares are redeemable and do not carry any voting rights or the right to dividends.

System Participant Share of \$1 was repaid during the year.

Refer to note 34 regarding repayment of the system participant shares as a subsequent event after the reporting period.

Note 21: Contributed Equity

	2025	2024	2025	2024
	\$	\$	Shares	Shares
Authorised				
Issued and fully paid ordinary shares	54,627	54,627	54,627	54,627
Issued and fully paid non-voting shares	3,924,378	3,924,378	3,924,378	3,924,378
Total contributed equity	3,979,005	3,979,005	3,979,005	3,979,005

(a) Ordinary shares

Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

(b) Non-voting shares

Fully paid non-voting shares do not carry any voting rights but do carry the rights to dividends.

(c) Capital management

The company manages its capital to ensure that the company can fund its operations and continue as a going concern, with sufficient capital being maintained to exceed both externally imposed prudential requirements and internally defined capital limits, whilst optimising its capital structure to maximise the beneficial use of available capital.

The company's debt and capital include ordinary share capital and financial liabilities, supported by financial assets.

The externally imposed minimum prudential capital requirement placed on the company by APRA is calculated under Basel III (refer note 26).

There have been no other changes in the strategy adopted by the company to manage its capital since the prior year.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 22: Reserves – Equity investment revaluation reserve

The reserve is used to record gains and losses resulting from movement in the fair value of the AP+ equity accounted investment held at FVTOCI. Refer to note 15 for detail on the equity investment.

	2025	2024
	\$	\$
Balance at beginning of the year	488,662	426,774
Changes in fair value of investment	58,897	82,517
Tax effect of revaluation	(14,726)	(20,629)
Balance at the end year	532,833	488,662

Note 23: Retained earnings

	2025	2024
	\$	\$
Balance at beginning of the year	10,841,239	12,781,330
Profit/(Loss) for the year	(1,803,254)	(1,940,091)
Dividends paid	-	-
Balance at the end year	9,037,985	10,841,239

Note 24: Dividends

No dividend was declared nor paid during the financial year (2024: \$Nil).

Notes to the Financial Statements

For the year ended 30 June 2025

Note 25: Cash Flow Information

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash and cash equivalents includes cash at bank and short term deposits. Cash at the end of the year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Note	2025 \$	2024 \$
Cash and cash equivalents	8	379,401,757	293,322,033

(b) Reconciliation of profit/loss after income tax to cash flows from operations

	2025 \$	2024 \$
Profit/Loss after tax	(1,803,254)	(1,940,091)
Non-cash flows in profit		
Depreciation and amortisation	1,715,798	1,530,887
Impairment of intangible assets	2,926,500	-
Changes in assets and liabilities		
(Increase)/decrease in trade and interest receivables	121,190	(527,671)
(Increase)/decrease in other assets	(99,504)	(108,336)
Increase/(decrease) in trade and other payables	1,931,490	(253,130)
Increase/(decrease) in net deferred tax liabilities	(571,171)	(640,175)
Increase/(decrease) in provisions	214,477	172,338
Cash flows from operating activities before changes in operating assets and liabilities	4,435,526	1,766,178
Net (increase)/decrease in increase in investment securities	(3,138,038)	15,315,364
Net Increase in Deposits/(decrease) and borrowings	85,250,716	(1,207,069)
Net Cash flows used in operating activities	86,548,204	12,342,117

Notes to the Financial Statements

For the year ended 30 June 2025

Note 26: Capital Adequacy

	2025	2024
	\$	\$
Tier 1 capital (net of deductions)	9,129,714	7,750,985
Tier 2 capital (net of deductions)	-	-
Total regulatory capital	9,129,714	7,750,985
Risk weighted assets	47,964,935	44,899,364
Capital adequacy ratio	19.03%	17.26%

The company has a minimum Prudential Capital Requirement (PCR) requirement of 8.0% excluding regulatory buffers, as compared to the risk weighted assets at any given time. The ratio is calculated by adding Net tier 1 capital and Tier 2 capital divided by risk weighted assets. The capital ratio can be affected by growth in assets relative to growth in reserves and by changes in the mix of assets.

The Prudential Standards issued by APRA require ADIs to maintain a risk-based capital ratio in excess of a Prudential Capital Ratio (PCR). Eligible capital is assessed in two tiers:

- Tier 1 - includes the highest quality elements; and
- Tier 2 - consisting of other elements which, to varying degrees, fall short of the quality of Tier 1 capital but nonetheless contribute to the overall strength of the ADI.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 27: Financial Risk Management

Overview

Australian Settlements Limited (ASL) is a specialist provider of payment settlement services and a prudentially regulated Authorised Deposit-taking Institution (ADI) under the supervision of the Australian Prudential Regulation Authority (APRA). As such, ASL is committed to maintaining a sound risk management framework to ensure the ongoing safety, resilience, and integrity of its operations and services to customers.

The risk management approach at ASL is guided by the APRA Prudential Standard CPS 220 – Risk Management, and is designed to identify, assess, monitor, and manage material risks that may affect the business. ASL recognises that effective risk management is integral to protecting its financial soundness, fulfilling regulatory obligations, and achieving long-term strategic objectives.

ASL's risk management framework and the oversight of it is the responsibility of the Board.

The Three Lines of Defence approach to risk management has been adopted by ASL, which reinforces a culture where all employees are responsible for identifying and managing risk. ASL embeds risk culture and maintains an awareness of risk management responsibilities through regular communication, training and other targeted approaches that support the risk management framework.

Senior management are responsible for implementing ASL's risk management strategy and risk management framework and for developing policies, processes, procedures and controls, and for identifying and managing risk in the ASL's activities.

The Risk Committee assists the Board to fulfil its oversight of the implementation and operation of ASL's risk management framework and the review and approval of associated policies. The Chief Risk Officer assists the Risk Committee and senior management to develop and maintain best practice risk management frameworks whilst promoting a sustainable risk and compliance culture. As part of their participation in the decision making process, the Chief Risk Officer provides challenge to ensure that material decisions are risk based.

The Audit Committee oversees management's compliance with the Company's financial risk management policies and procedures. The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of management controls and procedures, the results of which are reported to the Audit Committee.

Monitoring and controlling risk is primarily conducted using the limits and tolerances in the Risk Appetite Statement (RAS) by the Board. The RAS qualifies the appetite or tolerance level for business risks and summarises the limits and management controls that apply to manage the impact of a particular risk. These parameters are reviewed annually.

Risk Information is compiled monthly and analysed to identify and manage risks early. This information is provided to Risk Committee, and the Board. Detailed reporting is provided to the Risk Committee, and the Board receives summarised risk reporting on key risk measures. More detailed analysis and review of risks is undertaken on a periodic basis by the Risk Committee with reporting of outcomes to the Board.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 27: Financial Risk Management

Financial Risks:

The company's principal financial instruments comprise deposits from Customers, perpetual subordinated debt, cash, at call deposits, short-term deposits, bank issued securities and government securities. The main purpose of these financial instruments is to manage the company's settlement operations. The company has other financial assets and liabilities, such as trade receivables and payables, which arise directly from its operations.

The company holds the following financial instruments:

	Note	2025 \$	2024 \$
Financial assets			
Cash and cash equivalents	8	379,401,757	293,322,033
Investment securities at amortised cost	9	79,173,110	76,035,072
Trade and interest receivables	10	2,997,030	3,118,220
Equity Instruments – at FVTOCI*	15	2,710,445	2,651,548
Total financial assets		464,282,342	375,126,873
<i>*Unlisted equities</i>			
Financial liabilities			
Trade and other payables	16	5,188,116	3,416,830
Leases Liabilities	19	107,604	407,172
Deposits and borrowings	18	447,801,306	362,550,590
Total financial liabilities		453,097,026	366,374,592

Notes to the Financial Statements

For the year ended 30 June 2025

Note 27: Financial Risk Management

(a) Liquidity risk

The company's primary liquidity risk is derived from its function of settling payments system obligations on behalf of Customers who provide ASL with funds which are used to meet their settlement obligations. The Board sets the level of the funds required appropriate to the level of risk. The amount of funds required is recalculated as at the last business day of each calendar month to reflect changes in the settlement obligations. Customers cannot withdraw settlement funds when ASL has a settlement exposure to that Customer, but reduction in funds required can be accessed annually, most usually in January.

The tables below detail the undiscounted cash flows of financial assets and liabilities based on the earliest date the company can be required to pay. The tables include both interest and principal payable and as a result may not reconcile to items on the balance sheet.

Maturity analysis for financial assets and liabilities as at 30 June 2025.

	Less than 6 months	6-12 months	1-5 years	5+ years	At call	No maturity specified	Total
	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	184,989	-	-	-	379,216,768	-	379,401,757
Investment securities at amortised cost	46,470,037	32,703,073	-	-	-	-	79,173,110
Trade & interest receivables	2,997,030	-	-	-	-	-	2,997,030
Equity instruments - FVTOCI	-	-	-	-	-	2,710,445	2,710,445
Total financial assets	49,652,056	32,703,073	-	-	379,216,768	2,710,445	464,282,342
Trade and other payables	5,188,118	-	-	-	-	-	5,188,118
Deposits and borrowings	-	-	-	-	446,734,397	1,066,909	447,801,306
Lease liabilities	107,604	-	-	-	-	-	107,604
Total financial liabilities	5,295,722	-	-	-	446,734,397	1,066,909	453,097,028

Maturity analysis for financial assets and liabilities as at 30 June 2024.

	Less than 6 months	6-12 months	1-5 years	5+ years	At call	No maturity specified	Total
	\$	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	184,989	-	-	-	293,137,044	-	293,322,033
Investment securities at amortised cost	61,135,170	14,899,902	-	-	-	-	76,035,072
Trade & interest receivables	3,118,220	-	-	-	-	-	3,118,220
Equity instruments - FVTOCI	-	-	-	-	-	2,651,548	2,651,548
Total financial assets	64,438,379	14,899,902	-	-	293,137,044	2,651,548	375,126,873
Trade and other payables	3,416,830	-	-	-	-	-	3,416,830
Deposits and borrowings	-	-	-	-	361,483,681	1,066,909	362,550,590
Lease liabilities	143,975	155,591	107,606	-	-	-	407,172
Total financial liabilities	3,560,805	155,591	107,606	-	361,483,681	1,066,909	366,374,592

Notes to the Financial Statements

For the year ended 30 June 2025

Note 27: Financial Risk Management

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in the company suffering a financial loss. The company's primary credit risk relates to cash and cash equivalents and investments held to maturity which is mitigated by the fact that these assets are held exclusively with the RBA, Australian ADIs and Australian governments, and in accordance with the company's Large Exposures Policy. Other receivable balances are monitored on an on-going basis and are generally of a short-term nature. At the reporting date, the carrying value of all classes of financial assets best represents the maximum credit risk exposure, without taking account of the value of any collateral or other security, in the event other parties fail to perform their obligations under financial instruments. Concentrations of credit risk, where applicable, are identified in the notes to the respective financial assets.

There were no material amounts of collateral held as security at 30 June 2025 (2024: \$Nil).

The company uses the ratings of reputable ratings agencies to assess the credit quality of all investment exposures, where applicable, using the credit quality assessment scale in APRA Prudential Guidance APG 112. The credit quality assessment scale within this standard has been complied with. The table below indicates Standard and Poor's equivalent rating as determined by APRA's credit rating grade tables. Exposures may be rated by Standard and Poor's (Moody's Investors Service Incorporated or Fitch Ratings). The exposure values are as follows:

Investment Securities – amortised costs	2025		2024	
	Number of institutions	Carrying value \$	Number of institutions	Carrying value \$
ADI rated AA+ to AA--	3	79,173,110	2	76,035,072
Total		79,173,110		76,035,072

Cash and cash equivalents	2025		2024	
	Number of institutions	Carrying value \$	Number of institutions	Carrying value \$
AAA	1	328,544,901	1	254,662,242
ADI rated AA+ to AA--	3	50,856,856	3	38,659,791
Total		379,401,757		293,322,033

The expected credit loss is \$Nil for 30 June 2025 (2024: \$Nil).

(c) Market risk

Foreign exchange risk

The company is not exposed to any material fluctuations in foreign currencies.

Price risk

The company is not exposed to any material commodity price risk. The company does not trade in the financial instruments it holds on its books. The company operates a hold to maturity liquid portfolio and does not conduct any proprietary trading activities (buying and selling securities for short-term capital gains) or operate any trading books that expose it to any other form of market risk.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 27: Financial Risk Management

(d) Interest rate risk

Interest rate risk refers to the risk that variable interest rates may change or the risk that the company may be required to sell assets with a fixed interest rate. Financial instruments that expose the company to these risks are set out in the following tables.

2025		\$	Weighted Average Interest Rate
<i>Cash and cash equivalents</i>			
Within one year	Fixed Rate	184,898	2.90%
Within one year	Floating Rate	379,216,768	3.78%
<i>Investment securities at amortised cost</i>			
Within one year	Fixed Rate	58,170,402	3.31%
Within one year	Floating Rate	21,002,708	4.20%
<i>Trade and other receivables</i>			
Within one year	Non-interest bearing	2,997,030	0.00%
<i>Equity Instruments – other comprehensive income</i>			
No maturity date	No return specified	2,710,445	0.00%
Total financial assets		464,282,342	
<i>Deposits and borrowings</i>			
Within one year	Floating Rate	446,734,397	3.40%
No maturity specified	Floating Rate	115,887	4.85%
No maturity specified	Non-interest bearing	951,022	0.00%
<i>Lease liabilities</i>			
Within one year	Fixed rate	107,604	9.74%
<i>Trade and other payables</i>			
Within one year	Non-interest bearing	5,188,118	0.00%
Total financial liabilities		453,097,026	

Notes to the Financial Statements

For the year ended 30 June 2025

Note 27: Financial Risk Management

2024		\$	Weighted Average Interest Rate
<i>Cash and cash equivalents</i>			
Within one year	Fixed Rate	184,898	3.55%
Within one year	Floating Rate	293,322,033	4.27%
<i>Investment securities at amortised cost</i>			
Within one year	Fixed Rate	68,474,222	4.39%
Within one year	Floating Rate	7,560,850	4.67%
<i>Trade and other receivables</i>			
Within one year	Non-interest bearing	3,118,220	0.00%
<i>Equity Instruments – other comprehensive income</i>			
No maturity date	No return specified	2,651,548	0.00%
Total financial assets		375,126,873	
<i>Deposits and borrowings</i>			
Within one year	Floating Rate	361,483,681	3.40%
No maturity specified	Floating Rate	115,887	5.35%
No maturity specified	Non-interest bearing	951,022	0.00%
<i>Lease liabilities</i>			
Within one year	Fixed rate	299,566	9.22%
Greater than one year	Fixed rate	107,604	9.22%
<i>Trade and other payables</i>			
Within one year	Non-interest bearing	3,416,830	0.00%
Total financial liabilities		366,374,590	

The company's exposure to the risk of changes in market interest rates relates primarily to the funds held in government securities and bank issued securities. This risk is mitigated by holding the securities for short durations.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 27: Financial Risk Management

Sensitivity analysis

The company has performed a sensitivity analysis relating to its exposures to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in interest rates. At 30 June 2025, the effect on profit and equity as a result of changes in interest rates, with all other variables remaining constant, would be as follows:

	2025 \$	2024 \$
Change in revenue		
Increase in interest rates by 1%	84,642	76,565
Decrease in interest rates by 1%	(84,642)	(76,565)
Change in equity		
Increase in interest rates by 1%	84,642	76,565
Decrease in interest rates by 1%	(84,642)	(76,565)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged and has been calculated on net interest revenue.

No sensitivity analysis has been performed on foreign exchange risk, as the company has only minor exposure to foreign currency fluctuations.

Operational Risks:

ASL recognises that managing operational risk is critical to ensuring the integrity and reliability of its services as a provider of settlement and payment infrastructure to its customers. Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, systems, or external events, and is one of ASL's most significant risk categories given the nature of its business.

This includes risks from a wide a variety of causes associated with ASL's processes, personnel, cyber, technology and infrastructure and from external factors such as legal and regulatory requirements.

ASL's objective is to manage operational risk as to balance the avoidance of financial loss and damage to the company's reputation against excessive cost and control procedures.

These risks are managed and monitored through internal controls that are based on policies, procedures, guidelines and a governance structure that provides an appropriate segregation of duties, management oversight and the implementation of policies and systems to reduce the likelihood of incidents occurring and minimise the consequences of them if they do occur.

Comprehensive reporting and Key Risk Indicators (KRIs) have been established to monitor risks. These KRIs are reported to the Risk Committee, with summarised KRIs reported to the Board. This is supported by us the use on independent internal audit to determine whether controls are designed and operating effectively to maintain risk exposures with acceptable levels.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 28: Fair value of financial assets and liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal, or in its absence, the most advantageous market to which the company has access at that date.

The company measures fair value using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1 – quoted prices (unadjusted) in active markets for identical instruments.

Level 2 – valuation techniques for which all significant inputs are based on observable market data.

Level 3 – valuation techniques for which all significant inputs are not based on observable market data.

When applicable, the fair value of an instrument is calculated using the quoted price in an active market for that instrument. A market is regarded as active if all transactions take place with sufficient frequency and volume to provide pricing information on an ongoing basis. For all other financial instruments, fair values are determined using other techniques.

If the input used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

As at 30 June 2025 and 2024 there were no transfers between levels.

Methodologies and assumptions

Fair values have been determined for measurement and/or disclosure purposes based on the following methodologies and assumptions:

Financial instruments carried at fair value

The company's investment in AP+ is considered a level 3 under the fair value measurement hierarchy. See note 15.

Financial instruments carried at amortised cost

Cash and cash equivalents, trade and interest receivables and trade and other payables: These are measured at amortised cost and maturing within 12 months. The carrying value approximates their fair value as they are short term in nature and therefore considered level 1 under the fair value hierarchy.

Investment securities at amortised costs: The fair value of investments at amortised cost was calculated using the effective interest rate method. The amortised cost carrying value approximates fair value and they are considered level 1 under the fair value measurement hierarchy.

Deposits and borrowings: These are carried at amortised cost and the amortised cost carrying value approximates fair value. Given the nature, the liabilities are determined to be a level 1 under the fair value hierarchy.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 29: Related Party Transactions

(a) Key management personnel

Key management personnel are those persons with authority and responsibility for planning, directing, and controlling ASL's activities, directly or indirectly, including any director (whether executive or otherwise) of ASL. The Directors and key management personnel of ASL during or since the end of the financial year were:

Key management personnel

- Mark Tibbles, Chief Executive Officer
- Anthony Roberts, Chief Financial Officer
- Paul Klauzner, Chief Information Officer
- Allan McGregor, Company Secretary & Chief Compliance Officer
- Andrew Rigg, Chief Customer Officer
- Rubi Westman, Chief Risk Officer

Directors appointed 1 August 2025

- Michel Andre
- Wolfgang Gaertner
- Michael Bo Nørlem Hansen
- Matthew Lawrance
- Mishal Ashwin Ruparel
- Marie-Anne Van den Berg
- Mark Tibbles

Directors in office at reporting date and resigned 31 July 2025

- Claudia Jacqueline Bels
- Mark Peter Colless
- Dale Frederick Grounds
- Anna-Leena Risku
- Vincent Pace
- Robert James Ryan
- Bruce Kenneth White
- Graeme Douglas Willis

Notes to the Financial Statements

For the year ended 30 June 2025

(b) Key management personnel interest

The following directors and former directors have or had interests in contracts pursuant to which the company provides services to their organisations.

Mr MP Colless as Deputy Chief Financial Officer of Newcastle Greater Mutual Group Limited

Mr DF Grounds as Chief Executive Officer of The Capricornian Ltd

Mr V Pace as Chief Financial Officer of Heritage and People's Choice Limited

Mr RJ Ryan as Chief Executive Officer of IMB Limited

(c) Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

(d) Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date, other than made on normal commercial terms and conditions and at market rates

(e) Terms and conditions

All dealings and transactions related parties are conducted under arm's length principle. All transactions/services were made on normal commercial terms and conditions and at market rates.

(f) Remuneration of key management personnel

The compensation made to directors and other members of key management personnel of the company is set out below in aggregate for each of the categories specified in AASB 124 Related Party Disclosures.

	2025 \$	2024 \$
Short term employee benefits	2,657,528	2,814,713
Other long-term employee benefits	50,146	46,759
Total compensation for key management personnel	2,707,674	2,796,071

Short term benefits are salaries and wages, paid annual leave and sick leave and short incentives payments. Other long-term benefits are the net increase in the long service leave provision. There are no post-employment benefits, termination benefits or share-based payments (2024: \$Nil). No key management personnel or staff share options have been granted during the year (2024: \$Nil).

No key management personnel or staff have transacted with the company during the year (2024: \$Nil).

No loans to key management personnel or staff have been made during the year (2024: \$Nil).

All remuneration to directors was approved by members at the Annual General Meeting held on 25 October 2024.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 30: Remuneration of auditors

	2025	2024
	\$	\$
Audit services		
Audit of financial statement	83,500	81,250
Total remuneration for audit services	83,500	81,250
Statutory assurance services		
Other statutory services	46,000	44,250
Total remuneration for assurance services	46,000	44,250
Other non-audit services		
Other services	58,000	-
Total remuneration for non-audit services	58,000	-
Total audit & other assurance activities	187,500	125,500

The auditor of the company is Deloitte Touche Tohmatsu.

Statutory assurance services consist of fees for services that are required by legislation to be provided by the auditor, including certain reporting to APRA.

Other non-audit services consist of engagements that are not the direct audit of financial reports. These services include agreed-upon procedures.

ASL has processes in place to maintain the independence of the external auditor, including the nature of expenditure on non-audit services. The auditor also has specific internal processes in place to ensure auditor independence.

Note 31: Financial reporting by segment

The company operates predominantly in one business and one geographical segment. The company's operations are confined to Australia and involve providing customers with settlement and associated services for ATM/efpos, VISA, Mastercard, Direct Entry, BPAY, PEXA, NPP, Financial Crime and high value transactions, acting as a focal point for financial and other organisations to participate in payment systems, and developing payments services and strategies.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 32: Contingent Liabilities/Assets

(a) Legal disputes, litigations, and claims

For all litigation exposures where loss is probable and can be reliably estimated an appropriate provision is made.

As at 30 June 2025, the company has no contingent liabilities or assets (2024: \$Nil).

(b) Bank guarantees

The company provided a guarantee in respect of the leases over its premises of \$184,989 (30 June 2024: \$184,989). Refer to note 8.

(c) Commitments

At the date of this report, the company has committed to purchase software licences with an estimated value of \$400,000 USD. The commitment is expected to be settled within the next financial year. The Directors were not aware of any other commitments (including capital commitments) as at the end of the financial year or arising since balance date.

Note 33: Settlement Obligations

ASL is liable to settle the liabilities of any System Participant which cannot meet their settlement obligations. ASL holds funds from each System Participant specifically for this purpose. At 30 June 2025 all System Participants within the settlements system met their settlement obligations.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 34: Subsequent events occurring after the reporting period

On 1 August 2025, a share sale agreement between ASL, the ASL ordinary shareholders and Banking Circle S.A. (A European based payments bank) was executed with Banking Circle S.A. acquiring 100% of the ordinary shares of ASL. This share sale was completed following the approval of shareholders, as well as the required regulatory approvals, including approval from the Australian Prudential Regulatory Authority (APRA). The following subsequent events occurred as a result of the acquisition:

Subsequent change in ownership

Effective from 1 August 2025, the immediate parent entity of ASL is Banking Circle S.A. (unlisted public company). The parent company of Banking Circle S.A. is B. Circle Holding S.A., which is owned by EQT, a Swedish investment organisation.

The financial statements are prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business. The directors and immediate parent entity does not anticipate any significant changes to the operations of ASL in the foreseeable future.

Subsequent changes to ASL board of directors

On 1 August 2025, there was a change in the directors of the company. A number of directors resigned, and a number of new directors were appointed by the new shareholder. See the details in the listing of directors on page three.

Subsequent repayment of subordinated debt

A total of \$1,066,909 in perpetual subordinated debt has been repaid in full, prior to the change of ownership, and the subordination deeds and loan agreements are terminated.

Subsequent redemption of system participation shares

ASL redeemed 28 \$1 system participation shares with effect from the acquisition date.

Subsequent lease agreement

As at date of this report, the Company is in the process of negotiating a new lease agreement for a new office premises. The lease has not yet been executed and therefore has not been recognised in the Company's financial statements for the year ended 30 June 2025. Once executed, the lease will be recognised in accordance with AASB 16 Leases.

Subsequent share capital transaction

As at date of this report, Banking Circle S.A., has committed to purchase \$1 million of ordinary shares of the Company. This transaction is not yet completed and has therefore not been reflected in the Company's financial statements for the year ended 30 June 2025.

Other than the above, no matter or circumstance has arisen subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the entity, the results of those operations, or the state of affairs of the entity in future financial years.

Notes to the Financial Statements

For the year ended 30 June 2025

Note 35: Company Details

Australian Settlements Limited (ASL) is an unlisted public company limited by shares and incorporated in Australia. The company is an Authorised Deposit-taking Institution (ADI) and operates an Exchange Settlement Account (ESA) at the Reserve Bank of Australia. The ESA is used for the settlement of payment obligations between Customers, and other clearers.

The registered office and principal place of business of the company is:

Australian Settlements Limited

Level 3, 151 Castlereagh Street

Sydney, NSW, 2000

Note 36: Authorisation of financial statements

The financial report for the year ended 30 June 2025 was authorised for issue in accordance with a resolution of the Directors on 24 September 2025.

Notes to the Financial Statements

For the year ended 30 June 2025

Consolidated Entity Disclosure Statement

Australian Settlements Limited as a Financial Services Body Corporate is incorporated in Australia and is an Australian Tax Resident.

There are no trusts, partnerships, or joint ventures within the entity.

In determining tax residency, the entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR2018/5.

Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 12 to 57 are in accordance with the *Corporations Act 2001*, including:
 - i. complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - ii. giving a true and fair view of the entity's financial position as at 30 June 2025 and of its performance for the year ended on that date, and
 - iii. the consolidated entity disclosure statement, required by section 295(3A) of the Corporations Act 2001, is true and correct. ASL is not required to prepare consolidated statements, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

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

On behalf of the Directors,



Matthew Lawrance

Director



Wolfgang Gaertner

Director

Sydney, 25 September 2025

Independent Auditor's Report to Members



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Independent Auditor's Report to the Members of Australian Settlements Limited

Opinion

We have audited the financial report of Australian Settlements Limited (the "Company") which comprises the statement of financial position as at 30 June 2025, statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the Consolidated Entity Disclosure Statement and the directors' declaration.

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

- Giving a true and fair view of the Company's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

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

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report and Director's report for the year ended 30 June 2025 but does not include the financial report and our auditor's report thereon.

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

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

Liability limited by a scheme approved under Professional Standards Legislation.

Member of Deloitte Asia Pacific Limited and the Deloitte organisation.

Independent Auditor's Report to Members



Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company in accordance with Australian Accounting Standards; and
- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

Independent Auditor's Report to Members



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

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

T Bottomley-Mason

Tom Bottomley-Mason

Partner

Chartered Accountants

Sydney, 25 September 2025