Appendix 4E

Final Report – 30 June 2022

Name of Entity:	CV Check Limited
ABN:	25 111 728 842
Reporting Period:	Financial year ended 30 June 2022
Previous Reporting Period:	Financial year ended 30 June 2021

This report has been prepared in compliance with ASX Listing Rule 4.3A.

Pursuant to ASX Listing Rule 4.3A, the Company makes the following statement:

The financial statements contained in the Appendix 4E are based on Annual Report which has been audited. The Annual Report is lodged as an attachment to the 4E.

Results for announcement to the market

This information should be read in conjunction with the annual report and any announcements to the market by CV Check Limited during the year.

Revenue from ordinary activities	Up	51%	to	$ 26,371,577
Loss from ordinary activities after tax attributable to equity holders	Up	49%	to	$ 1,503,267
Loss for the year attributable to equity holders	Up	49%	to	$ 1,503,267

Brief explanation of figures reported above

CV Check Ltd delivered annual revenue from ordinary activities higher at $26,371,577 (FY21: $17,477,084), complemented by a full year trading from acquired entities.

Dividends

No dividends have been paid or declared for the year ended 30 June 2022 (30 June 2021 – Nil).

Net Tangible Assets

	30 June 2022	30 June 2021
Net Tangible Assets	$ 8,900,806	$ 10,317,645
Shares (No.)	434,232,370	428,826,741
Net Tangible Assets Per Share (Cents)	2.0	2.4

Loss per Share

	30 June 2022	30 June 2021
Basic Loss Per Share (Cents)	0.35	0.30
Diluted Loss Per Share (Cents)	0.35	0.30

Loss of control or gained over entities

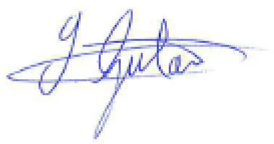
There is no other loss of control or gained over entities for the year ended 30 June 2022.

Audit of Accounts

The financial statements contained in the Appendix 4E are based on the Annual Report 2022 which has been audited and attached to this document.

Attachments

CV Check Limited Annual Final Report for the year ended 30 June 2022.



Ivan Gustavino

Non-Executive Chair
24 August 2022

CV CHECK

CV Check Limited
Annual Report
30 June 2022

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Company Directory

AUSTRALIAN COMPANY NUMBER

111 728 842

CV Check Limited is a Public Company, domiciled in Australia.

DIRECTORS

Non-Executive:

George Cameron-Dow

Oliver Stewart

Jon Birman

Ivan Gustavino

COMPANY SECRETARY

Craig Sharp

WEBSITE

www.cvcheck.com

REGISTERED OFFICE

Level 4, 999 Hay St

Perth, WA 6000

Telephone: (+ 61) 8 9388 3000

SECURITIES QUOTED

Australian Securities Exchange

434,232,370 - Ordinary Fully Paid Shares (Code: CV1)

SHARE REGISTRY

Automic Pty Ltd

Level 5, 191 St Georges Terrace

Perth, WA, 6000 Australia

AUDITOR

RSM Australia Partners

Level 32, Exchange Tower, 2 The Esplanade

Perth, WA, 6000 Australia

SOLICITOR

Steinepreis Paganin

Level 4, 16 Milligan St

The Read Buildings

Perth, WA, 6000 Australia

Chairman's letter

On behalf of the board of directors, I am pleased to present the Company's Annual Report for the 2022 financial year ('FY22').

CV1 made great strides in the implementation of its stated growth strategy over the Company's FY22. These efforts are already starting to feed through to CV's financial performance, with strong increase in revenue reported over the year. Looking to FY23, CV1's strategic initiatives continue to lay the groundwork for our Company to achieve further significant growth at scale, with accretive revenue, over the coming year, as our team stays focussed on realising the potential of the monitored compliance product and achieving further efficiencies across the organisation.

Repositioning of the business and delivering on our growth strategy

A key part of CV1's growth strategy reset was the appointment of a new Company CEO, Michael Ivanchenko, in the first quarter of our FY22. Since this time, he has been a key leader in the Company's now-well-progressed transformation process, which is premised on a broad-based strategy created and set in motion by the board in the previous financial year, the benefits of which are now starting to come through. These growth initiatives, encapsulated in CV1's *CGI strategy – Consolidate* the base, *Grow* new markets, and *Innovate* – has already delivered significant revenue growth that has, in turn, allowed the Company to continue to fund its growth. Michael has at the same time developed the executive team, harnessing both our existing talent bank and attracting new capability, which together give us the human capital resources needed to further accelerate our current growth trajectory.

The Board is pleased to be able to report revenue growth of 51% over the Company's FY22 to $26.4m. The rate of change and improvement within the business is a demonstration of the commitment of the board, CEO and management team to deliver sustainable growth to the overall CV1 business and gives us great confidence for the year ahead.

Globally Positioned to Scale

CV1's products feature in two complementary markets within the wider RegTech space: pre-employment background screening solutions and workforce compliance management. These *Know Your People* solutions are already a crucial part of the compliance process for employers - both in Australia and overseas – looking to take on new staff.

And the size of this global addressable market will continue to grow strongly from here. The key macro drivers that have underpinned the Company's success to date continue to drive a need for *Know Your People* services throughout the world economy:

- The shift to a digitally delivered service-based economy continues apace, both here in the Australasian region and around the globe. Additionally, changes driven by Covid-19 pandemic have shown a need for companies to demonstrate agility and to provide their services remotely;
- As much as ever, all companies need to know with accuracy, the capability sets of their own people and those seeking to join them;
- The push for confidence in compliance frameworks, increasingly coming as much from boards and other leaders concerned with risk management as it does from governments and regulators.

By addressing these drivers and providing valuable customer solution sets to the resultant pain points, CV1 will continue to secure business customer wins in the RegTech market globally.

Market activity

In FY22, CV1 completed a buyback of unmarketable parcels. A total of 310,791 shares acquired by CV Check Ltd under the buyback have been cancelled. Since balance date, the Company has also announced an on-market buy-back which is currently under way.

Our Valued Stakeholders

Finally, on behalf of the Board, I would like to express our gratitude to two groups integral to the smooth running of the overall CV1 business. To our amazing employees, we thank you for remaining resilient during difficult times and your unwavering commitment to serving our valued customers who put trust in our products and services. And last but not least, I want to acknowledge the fantastic support of our valued shareholders, who have continued to back the Company as its strategy of *Consolidate* the base, *Grow* new markets, and *Innovate* is implemented.

Ivan Gustavino

Non-Executive Chair

Chief Executive Officer's Report

The benefits flowing from CV1's ***Consolidate*** the base, ***Grow*** new markets, and ***Innovate*** (*CGI*) strategy started to be reflected in the Company's financial performance over its FY22. As this detailed growth plan continues to be implemented, further such gains are expected to accrue in our FY23.

Financial highlights

- Record Company revenue of $26.4m generated in FY22, an improvement of 51% year on year.
- SaaS revenue of $2.4m, an improvement of 325% on the previous year.
- CV1 was cash flow positive from operations in every quarter of FY22.
- Strong balance sheet was retained, with cash at bank of $12.2m and no debt as at 30 June 2022.

Group financial performance

The CV1 business remained resilient, with booked revenue for the year of $26,371,577, an improvement of 51% year on year.

The Company ended the year with a strong cash balance of $12,197,837. Net cash inflow from operating activities increased to $3,060,265 well up on the equivalent prior year figure of $1,045,439.

CV Check Ltd has no debt at the end of FY22.

FY22 operational highlights

- Key components of CV1's *CGI strategy* were successfully delivered:
    - **Consolidate** – The CVCheck background screening product experienced sustained growth, with materially higher margins to boot.
    - **Grow** – The Cited marketing, website and pricing model was repositioned and realigned to support greater take up of Software-as-a-Service workforce compliance monitoring.
    - **Innovate** – OnCite was released, a digital credentials passport delivered through a native mobile app for iOS and Android. New methods of automation and digitisation for credential validation and processing were put in place.
- The *CGI strategy* has CV1 well positioned for growth in FY23.

Operational performance

In putting together my first CEO Letter for CV1, I look back with immense pride on what our team has been able to achieve over FY22 and look forward with confidence and excitement to what we will achieve in the next 12 months.

One of my first steps after joining the Company some 10 months ago was to lead the implementation of CV1's three-pronged, *CGI strategy*. This detailed strategic plan is focussed on:

> *Consolidating* the base, the core background screening and credential validation business under the CVCheck product and the and workforce logistics businesses under Enable and Validate;
>
> *Growing* new markets, through the workforce compliance monitoring software, Cited; and
>
> *Innovating* to finding and building new simple and elegant solutions to seemingly complex problems to advance and improve customer usability and value, while improving efficiency and automation internally.

With FY22 now complete, it is worth recapping the progress made in each of those areas over the past 12 months.

Consolidate

The CVCheck product continues to be the pre-eminent background screening brand across Australasia. The CVCheck product regularly won contracts and tender proposals.

The Enable product remained well supported by key, blue chip clients, many of which are in the Western Australian mining industry, who have signed long-term contracts for workforce logistics support.

Together, these core CV1 products generated $24.7m in FY22, driving Company revenue growth with a materially improved gross margin.

Chief Executive Officer's Report continued

Grow

Our Cited product, with its real-time compliance functionality, is an integral component of our growth strategy. Through the year, we invested in further enhancements to the Cited product, which progressively gave it additional reporting and pricing functionality. We also undertook a complete revamp of the CVCheck and Cited websites, to further articulate and highlight the unique value proposition offered by those products.

Cited added still more blue-chip clients to its books in FY22 including FlyBuys, the Victorian Public Sector Commission, Endeavour Energy, Anglicare Tasmania, Australian Communications and Media Authority, Beach Energy, Corrs Chambers Westgarth, the Victorian Department of Premier & Cabinet, and the Federal Court of Australia. Cited's SaaS revenue contribution into FY23 will be boosted by the recently signed Hireup contract and Atlas Iron's decision to renew its contract.

Innovate

During FY22, CV1 successfully developed OnCite, a digital credentials passport. This new product was formally launched early FY23. OnCite represents an important step in CV1's push to become a leader in global RegTech.

OnCite is a native mobile app for IOS and Android devices, available free of charge from Apple's App Store and Google Play. The product will enable workers anywhere to securely store their digital identity and verified credentials, then seamlessly and securely share relevant credentials with organisations seeking to engage them. The app's functionality will play a key role in removing silos of information and providing the foundation for collaborative workforce compliance across critical operators and their supply chains while maintaining the highest level of security.

OnCite is also a key component for delivering our strategy of extending automation and broad scalability across the business while also improving convenience and usability for customers. The introduction of biometric identity confirmation will materially advance the end-to-end digital interaction for all customers.

Also, the Company has formally commenced the process for Trusted Digital Identity Framework (TDIF) accreditation of its identity process, through the Commonwealth's Digital Transformation Agency (DTA). CV1 is targeting the successful achievement of its TDIF accreditation in calendar 2022, although this target is dependent on a timely response by the DTA.

The abovementioned investments were all part of CV1's ongoing efforts over FY22 to enhance automation and service scalability across its entire product range.

CV1 believes that these innovations deliver the necessary foundation for truly transformative change in the CV1 business over the longer term, from a pure screening and verification provider to a global aggregator of combined RegTech services.

Purpose, Mission, Vision and Values

None of the great progress we have made during FY22, nor the groundwork we have laid for the great things to come, would be possible without the tremendous contribution of CV1's combined work force.

To help foster ongoing staff engagement, in FY22 the CV1 executive team initiated and led an exercise to re-examine, restate and reaffirm the Company's purpose, mission, vision and values. The results of this initiative, which are detailed below, were recently shared with CV1 team members and are now being embedded in the Company's processes and DNA.

PURPOSE

Powering insights for better, safer workplaces.

MISSION

Our technology helps your organisation to know your people. Simply. While our clients focus on opportunities, we connect them to insights that lift their capability and mitigate their risk.

VISION

A world where data is trusted, and client organisations are freed to focus on opportunities.

VALUES

- The privacy of data is our highest priority
- Our team's strength comes from everyone's individuality
- Deliver the good and strive for the great
- Gaps are opportunities to make a difference

Outlook for FY2023

There was much to be proud of in FY22, with further good growth in revenues, the delivery of a cash flow positive result at the operating level and a raft of product enhancements released. The year ahead promises to be a similarly exceptional and exciting period for the entire CV1 team. The work we completed in FY22 has laid the groundwork for CV1 to achieve further significant growth at scale, with accretive revenue, over the coming 12 months and beyond. FY23 is expected to see us realise the growth potential inherent in our monitored compliance product. At the same time, we will be fully focussed on bringing to book the benefits of operational efficiencies and system improvements made possible by our *CGI strategy*. I look forward to updating shareholders on our FY23 financial performance at the Company's FY22 AGM.

Michael Ivanchenko

Chief Executive Officer

Directors' Report

The Directors present their financial report of the Group, being CV Check Limited ('the Company' or 'CV1') and its controlled entities, for the year ended 30 June 2022 and the auditor's report.

Directors

The following persons were Directors of the Company for the entire financial year and up to the date of this report, unless otherwise stated.

Ivan Gustavino

Non-Executive Chair
(Executive Chair from 17 April 2021 to 29 August 2021)

Appointed to the Board

13 August 2018

Qualifications

Bachelor of Business

Experience

Ivan has over 25 years' experience developing global technology businesses, including vast experience in leading, advising and investing in high growth technology businesses.

Ivan is one of Australia's leading corporate advisors specialising in advising technology companies on growth, mergers and acquisitions. Ivan is the Managing Director of Atrico Pty Ltd and Director of Asia Tech Pty Ltd and Gustavino Capital Pty Ltd. Ivan is a related party to Gusfam Pty Ltd ATF Gusfam Trust.

Interest in shares and options

Direct: Nil.

Indirect: 1,068,127 ordinary shares; 3,000,000 performance rights.

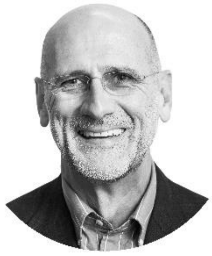
Directorships held in other public entities

Non-Executive Director of Imdex Limited.

Other public company directorships held during the past 3 years

Nil

George Cameron-Dow



Non-Executive Director

Appointed to the Board

16 February 2017

Qualifications

Master of Management (cum laude), Stanford Executive Program, Graduate of the Australian Institute of Company Directors

Experience

George has extensive experience as an Executive and Non-Executive Director in both private and public companies spanning a range of industries including the pharmaceutical, biosciences and health care sectors. In addition to his experience with large corporations, he has served as Chair of a number of ASX listed companies, retirement funds and a private health insurance fund. He is a founding director of investment fund manager Fleming Funds Management Pty Ltd (previously St George Capital Pty Ltd) and investment advisory firm Fleming SG Capital Pty Ltd.

George is a director and beneficiary of Dhow Nominees Pty Ltd ATF Dhow Trust.

Interest in shares and options

Direct: Nil.

Indirect: 806,061 ordinary shares; 1,000,000 performance rights

Directorships held in other public entities

Non-Executive Director and Chair of Eve Health Group Limited.

Other public company directorships held during the past 3 years

Nil

Directors' Report continued

Oliver Stewart

Non-Executive Director

Appointed to the Board

4 November 2020

Qualifications

Bachelor of Business Management (Marketing) and a Bachelor of Arts (Psychology & Journalism).

Experience

Oliver has over 15 years' experience in helping businesses drive sustainable long-term growth through Customer and Loyalty Marketing.

Oliver's core competencies include strategic planning to maximise customer lifetime value across multiple product sets, marketing, and sales channels. Oliver is currently a Director at Tortoise & Hare CX Agency. He has also held senior at Foxtel, Qantas Frequent Flyer, Lavender, and M&C Saatchi.

Interest in shares and options

Direct: Nil.

Indirect: 2,668,000 fully paid ordinary shares; 1,000,000 performance rights.

Directorships held in other public entities

Nil

Other public company directorships held during the past 3 years

Nil.

Jon Birman

Non-Executive Director

Appointed to the Board

3 May 2021

Qualifications

Bachelor of Arts (Politics & Industrial Relations)

Experience

Jon has 30 years in business creation, strategy, and executive leadership.

Jon was formerly Chief Executive of UGL Resources and Group and General Manager of UGL. His previous serving roles include Deputy Project Director of Kellogg Joint Venture, managing contracts and the LNG train for Mega Project; and Vice President for International Operations of Kaiser Engineering.
Jon's core competencies include strategy, human capital, risk management, HSSE and finance.

Interest in shares and options

Direct: Nil.

Indirect: 22,197,811 fully paid ordinary shares (21,897,811 subject to voluntary escrow until 31 December 2022); 1,000,000 performance rights.

Directorships held in other public entities
Nil.

Other public company directorships held during the past 3 year
Nil.

Directors' Report continued

Company Secretary

Craig Sharp

General Counsel & Company Secretary

Appointed Company Secretary

3 June 2021

Qualifications and Experience

Craig is an admitted solicitor with over 25 years' post-admission experience, including 9 years in the background screening industry and 7 years as legal counsel in a public company environment.

Craig's qualifications include a Master of Laws, Bachelor of Jurisprudence, and a Graduate of the Australian Institute of Company Directors

Directorships held in other public entities

Nil.

Directors' Report continued

Meetings of Directors

The number of Director's meetings (including meetings of committees of directors) and the number of meetings attended by each of the Directors of the Company during the financial year are:

	Board Meetings		Audit & Risk Committee		Remuneration Committee	
	Held / Eligible to attend	Attended	Held / Eligible to attend	Attended	Held / Eligible to attend	Attended
Ivan Gustavino	12	12	-	-	4	4
George Cameron-Dow	12	12	3	3	4	4
Oliver Stewart	12	11	3	3	-	-
Jon Birman	12	12	3	3	-	-

Principal Activities

The Group is a leading provider of know your people solutions – comprising pre-employment screening, verification services and workforce compliance management. In FY22, the entity's primary market were Australia and New Zealand.

The Group provides real-time workforce compliance management via its core Software-as-a-Service RegTech solution Cited. By combining certifications and compliance data with business policy and legislative requirements, Cited enables scalable compliance monitoring spanning pre-employment to daily requirements related to geo-location, roles and tasks applicable across a wide range of industries.

The Group also provides a wide range of pre-employment checks via its CVCheck solution ('CVCheck'). This is delivered via its proprietary technology platform, which has evolved into a best-of-breed employment screening and verification offering with a track record of customer service excellence. The Group's Enable solution provides workforce compliance and logistics solutions, predominantly to the mining sector.

CVCheck continues to grow its position as the pre-eminent background screening brand in Australasia and is planning a global expansion of its growing suite of RegTech solutions.

Financial and Operating Review

Financial Review

Statement of Profit or Loss and Other Comprehensive Income

A consolidated revenue of $26,371,577, an increase of $8,894,493 or 51% year on year (FY21: $17,477,084).
A net comprehensive loss for the year of $ 1,558,948 (FY21: $926,616).

Options expensed during the year relating to the Employee Incentive Option Plan amounted to $702,479 (FY21: $571,049).

Deferred Taxes

The Group does not currently recognise any deferred tax asset that might arise from its accumulated tax losses but will continue to assess that adopted position. Refer to Note 6 for more information.

Statement of Financial Position & Statement of Cash Flow

The Group finished FY22 with a strong balance sheet, through an ongoing focus on cash collections, trade receivables reduced by 5% on prior corresponding period ('pcp') to $2,804,884 (FY21: $2,956,765), this despite the significant growth in revenue the company has generated during the year, highlighting the continued focus and efforts in its cash collections. Net assets down on pcp by 3.2% to $25,368,403 (FY21: $26,209,613), driven primarily as a result of the addition of lease liabilities of $1,749,401. This lease liability was raised as a result of the Company's relocation to its new premises with 5-year lease in accordance with AASB 16 during the year (FY21: $217,810) and utilisation of cash and cash equivalents $662,390 to finalise the Bright People Technology Pty Ltd acquisition.

A solid cashflow report for the year is presented, with receipts from customers for the year $29,070,283 up 71% (FY21: $16,958,243) and overall net cash flows from operation of $3,060,265 (FY21: $1,045,439) up 193%.

In line with the Group strategy, significant investment of $2,582,665 was made during the year in product development and capitalised (FY21: $878,272).

Directors' Report continued

Financial and Operating Review continued

Operating Review

CVCheck product performance

During the year, revenue of $20,469,456 was generated through the CVCheck product across the Australian and New Zealand markets (up from $16,071,473 in FY21), as CV1 pursued a strategy of Consolidating its existing revenue base. The results were achieved through an ongoing focus on the following objectives: supporting sales, marketing and account maintenance teams to focus on both the large business segment and the lower touch SME business segment; targeted integrations with HRIS and other HR technology platforms; initiatives to support check diversification away from police check sales; key partnerships; white label features to support enterprise sales; commercialisation of white label solutions for inbound international customers (being international screening organisations); and increasing automation and a focus on customer experience to increase the profitability.

Enable product performance

A further focus of the "*Consolidate the base*" strategy was ongoing investment in and support for the Enable products (Enable Validate and, Enable Logistics). During FY22, these products generated revenue of $4,186,746, largely through long-term contracts with blue chip clients in the Australian mining sector.

Cited product performance

Simultaneously, the Company looked to *Grow* new markets as the second limb of its *CGI strategy*.

Cited is the Group's real-time compliance monitoring product. Through FY22, Cited has been successfully repositioned as a Software-as-a-Service offering available through a subscription fee. The repositioning has been achieved through completion of important development work supported by a concerted and integrated marketing effort including a redesigned website, supporting messaging and collateral all focused on a freshly articulated core value proposition.

Cited is already live in the market, with important customers including Atlas Iron and Hireup consuming early versions of the product. During FY22, the Cited product generated $1,715,375 in revenue, of which 11% is classified by the Group as SaaS earnings.

OnCite product launch

The third limb of the Group's three-pronged *CGI strategy* is to *Innovate*.

Uniquely to its current markets, the Group now offers a native mobile application in iOS and Android. The product OnCite was launched towards the close of FY22. OnCite is a digital credentials passport that enables workers anywhere to securely store their digital identity and verified credentials, then seamlessly and securely share relevant credentials with any organisation seeking to engage them. The app's functionality will play a key role in removing silos of information and providing the foundation for collaborative workforce compliance across critical operators and their supply chains while maintaining the highest level of security. The Group believes this new product is tangible proof it is progressing a key plank of its stated strategy, to become a leader in global RegTech.

Sales and marketing

The CV1 Sales and Marketing team's constant priority is to ensure the customer is at the centre of everything we do. Because the customers' needs and issues remain our focus, our entire go to market strategy directly communicates our ability to help them, whether it be through marketing messaging or by engaging with our recently upskilled specialist SaaS Sales team.

Transforming the business to support a SaaS compliance management in the marketplace has been undertaken in parallel with continuing to be the flight to quality background screening brand. CVCheck has always been. In supporting this dual approach, the team adopted new tools and approaches in the business, underpinned by an understanding of their application, relative to the respective market segments.

Acknowledging the traditional CVCheck customer needs, the revised go to market leverages both a direct sales and indirect channel partner approach. Large Enterprise customers are managed by the Executive Sales team who are in turn supported by a team dedicated to ongoing corporate customer relationship management. In addition, work continues optimising the experience of customers who seek a self-serve model to access our services.

The Sales and Marketing team have evolved its go to market approach to market our SaaS offering across all brands, which not only supports the acquisition of new customers, but it also enhances the growth of existing customers.

Directors' Report continued

Financial and Operating Review continued

Operating Review continued

Sales and marketing continued

To do this, it has been necessary for the team to gain further understanding of the market segments it is targeting. This has been enabled by a combination of extensive market surveys and research conducted by external specialists, the hiring of specialist sales support skill sets and the completion of world class Enterprise Sales training.

The implementation of best practice tools and partnerships has supported the business to become more efficient in its lead acquisition approach and to create a mature contact strategy that creates clarity of message to our potential and existing customers. This is all supported by refreshed sales collateral, content and brand messaging.

Corporate

After an extensive nationwide search, the Company was delighted to announce that on 30 August 2021, Michael Ivanchenko commenced as Chief Executive Officer of CV Check Ltd.

Michael Ivanchenko is an internationally experienced, highly capable, executive with a record of driving profitable growth through the development and deployment of significant SaaS products. He has deep experience in rapidly developing B2B and B2C technology sectors. On a global scale, he has led product and sales teams across Asia-Pacific, the US and Europe. Prior to joining CV1, Mr Ivanchenko served as Executive Director of Product with Foxtel Group, where he was responsible for the evolution of the Foxtel product from a legacy broadcast platform to an internet connected service with a modern user experience. He has previously held senior executive roles with Kudelski Group, OpenTV and was co-founder and CEO of Vulcan Software Limited. He has been integral to driving the transformation of CV1 to a group focused on becoming a global leader in RegTech.

Mr Ivanchenko has made some key appointments to assist in leading the future growth of the Group. Geoff Hoffmann, previously of Sensis and Adstream, commenced with CV1 as its Global Sales Director early in Q4 FY22. Geoff has built a reputation for successfully building and operating international sales teams and delivering revenue at the scale that aligns with the belief and ambition the Group has in its products, people, and overall business model. Hayden Farrow has also joined the team as Head of Product, to better align the business with understanding and addressing customer needs.

Dividends

The Directors do not recommend the payment of a dividend. No dividends were paid or declared since the end of the previous financial year.

Events after the Reporting Date

Post balance date, the Company announced it is undertaking an on-market share buyback of ordinary shares. The Company intends to allocate up to $2m of existing cash reserves to the Share Buyback.

Significant Changes in State of Affairs

Other than as disclosed elsewhere in this Annual Report there have been no other significant changes in the state of affairs of the Group during the financial year.

Likely Developments

Information about likely developments in the operations of the Group and the expected results of those operations in future financial years is provided in the Chairman's Report and this Directors' Report.

Material Business Risks

The business strategies, assets and future performance of the Group are subject to various risks, including the material risks summarised below.

The Group identifies, assesses, and manages these risks (as described in the Corporate Governance Statement) and operates under the Board approved Risk Management Review Procedure and Internal Compliance and Control Policy.

The summary below refers to material risks identified from a whole of entity perspective. The list is not exhaustive of the risks faced by the Group or investors, nor are the risks listed in order of precedence and or importance.

Directors' Report continued

Material Business Risks continued

Business Model (Business, Customer, Regulatory & Sector)	There is a risk of not being able to respond to market conditions, the rate of technological change, and to customers' expectations of service delivery. Attracting business-to-business customers to online ordering/buying of screening and verification checks remains relatively recent for the corporate sector. While the sign-up rates have been positive, corporate sector engagement requires continuing development of customer interfaces through its technology platform and integrations with other platforms. There is always a risk that change in laws and regulations might affect the Group's business and its 'licence to operate' both directly and indirectly, including additional costs to comply with any changes or conditions which are applied or result in a reduction in business. The Group competes with several other companies and government agencies in its sector, the Group remaining competitive and being able to successfully compete is always a risk. There is also a risk that certain government or quasi government agencies may benefit from any legal, regulatory or policy changes which effectively mandate a government or quasi government monopoly.
Reputational Risks	The Group operates in an online and fast-changing environment that is regulated. Negative publicity can spread quickly, whether true or false. Disgruntled users posting negative comments about the Group in public forums may have a disproportionate effect on reputation and ability to generate revenues and profits.
Economic, Financial and Capital Markets Risks	Market, financial or economic conditions may be affected by a range of factors including general economic outlook, investor sentiment and consumer confidence, changes to legislation including tax reform, monetary factors (including interest rate risk, inflation, foreign exchange risk, credit risk and supply or demand of capital), liquidity risk or other general factors such as terrorism or pandemics. There is always increased risk due to changes in market, business or economic conditions which may result in: the Group's business being impacted either directly or indirectly; the value of investment being affected; the Group's exposure to share market volatility increasing; and as the business is still in growth mode, access to additional funding remains a risk while the Group works towards achieving profitability.
Data Management and Security	There is a risk that the collection, usage and management of customer data is not consistent with the regulatory obligations or that it does not meet the expectations of customers. With growth in volume of orders and traffic to the Group's websites, cyber infiltration or attack is a risk. Data security is critical to the Group. The Group relies on the availability of its website, and the website of various third-party providers and integrations with other platforms to provide services to users, its corporate clients and to attract new business. Hackers could render the websites unavailable through distributed denial of service or other disruptive attacks including accessing of confidential data. Although the Group has a range of strategies in place to minimise the threat of any of these attacks, cyber-attacks are becoming more sophisticated and are increasing in frequency, these strategies may not be successful. This could result in the functionality of the Group's websites being compromised or confidential data being accessed. The Group heavily relies on the automation of many of its processes, but some elements do rely on human interaction. There is always the risk of human error in the handling of such data.

Directors' Report continued

Material Business Risks continued

Reliance on Third-Party Suppliers or Contractors	Where the Group uses third party suppliers of information, there is a risk they may not continue to allow the Group to access the information. While all care is taken to contract with third parties that have appropriate expertise and experience, there are no guarantees that those third parties will perform as expected or required. The Group also relies on third party government bodies for data provision for some checks. Denial of information access, non or poor performance by third-party suppliers or contractors may have a material adverse effect on the Group.
Reliance on Third-Party Infrastructure	Reliance upon telecommunications systems collectively supplied by government and third-party providers is an integral feature of providing services over the internet. The Group is also increasing its platform integration with other platforms. As such, the Group places reliance on the proper operation and maintenance of those facilities outside of its direct control in order to deliver its product to market. Non-performance of, or the lack of availability of, third party infrastructure may have a material adverse effect on the Group.
Management of Growth	Management of growth is critical to the business. The Group has experienced periods of variable growth, and this fluctuating growth rate has placed pressure on resourcing. Building scalability (in infrastructure, systems and processes) and people capability are vital; the Group continues to implement initiatives in a timely manner to manage growth.
Merger and Acquisition	Business growth may come from a combination of organic growth (building the Company's own customer base) and merging with or acquiring other businesses in similar or adjacent markets. Acquisition of other businesses can result in varying rates of return on investment that may be impacted by a range of factors including due diligence practices, overestimating or failing to capture synergies, differences in workplace cultures, integration and change management practices, and unforeseen threats or costs to the combined businesses.
Project Risks	A significant element of the Group's growth strategy is predicated on continuing to increase the level of automation used in the business, ongoing agile development of technology and or software. Failure to sustain or a delay in development and implementation may result in lower than expected growth, and increased risks due to exposure of human error.
Technology and Intellectual Property Risks	Ability to compete may be compromised if the Group's proprietary rights are not adequately protected. There are risks associated with disruption to technology platform and systems, as these could affect the Group's reputation and financial performance.

Environmental Regulation

The Group's operations are not subject to any significant environmental regulation and legislation. The Group conducts its activities in compliance with all environmental laws and regulations, and aims to minimise, where reasonable, the impact of any of the Group's activities on the environment including the climate.

Directors' Report continued

Remuneration Report (Audited)

This Remuneration Report outlines the Director and Executive remuneration arrangements of the Company as required by the Corporations Act 2001 and its Regulations. That legislation requires this report to detail the nature and amount of remuneration of each Director of the Company and all other Key Management Personnel ('KMP').

For the purposes of this report, KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether Executive or otherwise) of the Company.

The Company has determined that during the reporting period, the KMP were the Directors of the Company, the Chief Executive Officer and the Chief Financial and Operating Officer.

The KMP of the Company during or since the end of the previous year were:

Person	Position	Period in position during the year
Ivan Gustavino	Executive Chairman	Until 29 August 2021
	Non-Executive Chairman	From 30 August 2021
George Cameron-Dow	Non-Executive Director	Full Year
Oliver Stewart	Non-Executive Director	Full Year
Jon Birman	Non-Executive Director	Full Year
Rod Sherwood	Chief Executive Officer	Until 16 July 2021*
Michael Ivanchenko	Chief Executive Officer	From 30 August 2021
Jason Margach	Chief Financial and Operating Officer	Full Year

*Mr Sherwood resigned as director effective immediately in April 2021. He served his termination period as a CEO by taking leave from April 2021 to July 2021.

Section A: Principles used to determine the nature and amount of Remuneration

Remuneration Policy

The remuneration policy has the aim of attracting, motivating and retaining suitably qualified Directors and executives who will create value for shareholders. The remuneration policy ensures that Non-Executive Directors and executives are appropriately remunerated having regard to their relevant experience, their performance, the performance of the Group, industry norms and standards, the financial position of the Group as a whole and the general pay environment as appropriate.

On 30 January 2019, shareholders of CV Check Limited approved an incentive option plan ('Plan') for employees and eligible participants. During FY21 the Company's Board implemented an employee incentive scheme ('Scheme') as part of transforming the business and introducing a performance led culture. In FY21 options were issued under the Plan to persons considered to be key persons in the Group, with the object being to reward those key persons on outstanding performance that was also linked to the Group's performance. During FY22, 5,716,420 of those options vested with employees and were exercised, including 1,861,948 by KMP.

In FY22 the Board has again issued options to key persons in the Group, with the object of rewarding those key persons on the Company's performance during the financial year. The options did not vest and will shortly be cancelled.

Directors' Report continued

Remuneration Report (Audited) continued

Remuneration Committee

The Remuneration Committee is a Committee of the Board. The primary purpose of the Committee is to support and advise the Board in fulfilling its responsibilities to shareholders by:

(i) reviewing and approving the executive remuneration policy to enable the Company to attract and retain executives and Directors who will create value for shareholders;
(ii) ensuring that the executive remuneration policy demonstrates a clear relationship between key executive performance and remuneration;
(iii) recommending to the Board the remuneration of executive Directors (if any);
(iv) fairly and responsibly rewarding executives having regard to the performance of the Group, the performance of the executive and the prevailing remuneration expectations in the market;
(v) reviewing the Company's recruitment, retention and termination policies and procedures for senior management;
(vi) reviewing and approving the remuneration of direct reports to the Chief Executive Officer, and as appropriate other senior executives or key persons to the Group; and
(vii) reviewing and approving any equity-based plans and other incentive schemes, including overseeing the remuneration policy and for recommending or making such changes to the policy, as it deems appropriate.

Non-Executive Directors

Objective

The remuneration policy ensures that the Non-Executive Directors are appropriately remunerated having regard to their relevant experience, their performance, the performance of the Group, external market comparatives, and the general pay environment as appropriate.

Structure

Non-Executive Directors are remunerated by way of fixed cash fees plus superannuation, or fixed fees plus goods and services tax. Other than superannuation under the Superannuation Guarantee Contribution Act, there are no retirement benefits payable to Non-Executive Directors.

Subject to shareholder approval, an issue of equity to Directors may occur if the Board believes it is in the best interest of the Group to do so, particularly where the cash remuneration otherwise required to be paid to attract the appropriate calibre of Directors is reduced, or where there are exceptional circumstances. An issue of equity to Directors may also occur if approved by shareholders at the Annual General Meeting. In FY22, shareholders approved the issue of 6,000,000 performance rights to directors, subject to various performance criteria. Those performance rights have been granted by the Company.

The maximum aggregate amount that can be paid to Non-Executive Directors is currently $500,000 per annum inclusive of superannuation which has been determined in accordance with the Company's Constitution (originally set at $250,000 and which in accordance with the terms of the Constitution was varied by shareholder approval at the Annual General Meeting in 2017). The apportionment of the aggregate remuneration amongst Non-Executive Directors is reviewed periodically.

For the year ended 30 June 2022, the Non-Executive Directors were remunerated an aggregate $362,520 inclusive of statutory superannuation, and fees paid to Mr Gustavino in respect of his executive director role during the year. Full details of the fees paid to Non-Executive Directors for the 2022 and 2021 financial years are set out in Section C of this Remuneration Report.

The Board is responsible for reviewing its own performance. Board and Board Committee performance is monitored on an informal basis throughout the year, with a formal review conducted during the subsequent financial year.

Directors' Report continued

Remuneration Report (Audited) continued

Key Management Personnel (KMP)

Objective
The remuneration policy ensures that Directors and other KMP are appropriately remunerated to their relevant experience, their performance, the performance of the Group, industry norms and standards and the general pay environment as appropriate.

Structure
The Non-Executive Directors are responsible for evaluating the performance of the Chief Executive Officer who in turn evaluates the performance of the executive management, including CFOO as KMP. The evaluation process is intended to assess the Group's business performance, and whether long-term strategic and individual performance objectives are achieved.

The performance of the Chief Executive Officer, Executive Directors (if any) and KMP are monitored on an informal basis throughout the year. A formal evaluation is performed annually.

The pay and reward framework for Executive Directors (if any), may consist of the following:

(i) Fixed Remuneration - Base Salary and Directors' Fees;
(ii) Variable Short-Term Incentives; and
(iii) Variable Long-Term Incentives.

In April 2021, on the resignation of Rod Sherwood, Ivan Gustavino assumed the temporary role of Executive Chairman. The Company agreed to pay Ivan Gustavino a special exertion fee of $10,000 per month from 1 April 2021, in addition to his usual director's fee. It was agreed that the fee would continue to be paid through to December 2021, whilst the new CEO was being onboarded. Fees paid to Ivan Gustavino as Executive Director in FY22 were $60,000.

Variable Remuneration – Short Term Incentives
Discretionary cash bonuses may be paid to senior executives subject to Board approval following the recommendations of the Chief Executive Officer (based on a review of the performance of the KMP and senior executives and or the Group as a whole).

Variable Remuneration – Long Term Incentives
Employee Incentive Option Plan

KMP and senior executives have previously been provided with longer-term incentives through the Company's Employee Incentive Option Plan ('EIOP'). An EIOP was approved by shareholders at an Extraordinary General Meeting held on 30 January 2019.

Under the EIOP, the Board at its discretion may grant Incentive Options to a Director (whether Executive or Non-Executive) of the Company, a full or part time employee of the Company, a casual employee or contractor of the Company to the extent permitted by the ASIC Class Order, or, a prospective participant, being a person to whom an offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming an Eligible Participant (as defined under the EIOP). Participation in the EIOP only occurs where such a person is declared by the Board to be eligible to receive grants of Incentive Options under the EIOP.

Offers under the EIOP are at the discretion of the Company with the objective of the EIOP being to assist in the recruitment, reward, retention and motivation of employees or contractors of the Company. Any options which are to be issued under the EIOP to Directors, must first be approved by shareholders pursuant to the requirements of the ASX Listing Rules.

The Board, as part of transforming the business and introducing a performance-led culture, issued incentive options pursuant to the EIOP to key persons within the Group. A total of 2,172,160 unlisted Zero Exercise Price Options ('ZEPOs') were issued to key persons, exercisable at $0.00, subject to vesting conditions and performance criteria, including company metrics to be achieved in FY22. Of the ZEPOs, 1,875,864 were exercisable on or before 17 December 2023; and 296,296 on or before 28 January 2024. The share-based payment expense was recognised within Statement of Profit and Loss and Other Comprehensive Income totalling $702,479 for FY22.

Voting and comments made at the Company's 2021 Annual General Meeting (AGM)

At the 2021 AGM held on 29 November 2021, 99.9% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2021. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Directors’ Report continued

Remuneration Report (Audited) continued

Section B: Contractual arrangements for Directors and KMP

Remuneration and other terms of employment for Key Management Personnel are formalised in service agreements for their Executive roles, as summarised below. Additional information on remuneration for the key management personnel can be found in Section C.

Non-Executive Directors
On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the board policies and terms, including remuneration.

KMP
Additional information on remuneration for the key management personnel can be found in Section C.

Section C: Details of Remuneration for the years ended 30 June 2022 and 30 June 2021

The remuneration for each Director and each of the other Key Management Personnel of the Group (as defined in AASB 124 Related Party Disclosure) are set out in the following tables.

Non-Executive Director remuneration

		Short term benefits		Post-employment benefits	Share-based payments		
Directors	Year	Board & Committee fees	Other Benefits	Superannuation	Options and Rights	Total remuneration	Performance related
Ivan Gustavino *	**FY22**	**162,700**	**-**	**-**	**85,871**	**248,571**	**35%**
	FY21	115,402	76,000	-	-	191,402	-
George Cameron-Dow	**FY22**	**66,500**	**-**	**5,150**	**28,624**	**100,274**	**29%**
	FY21	72,870	40,000	5,423	-	118,293	-
Oliver Stewart	**FY22**	**56,865**	**-**	**5,150**	**28,624**	**90,639**	**32%**
	FY21	33,871	-	3,218	-	37,089	-
Jon Birman	**FY22**	**60,629**	**-**	**5,526**	**28,624**	**94,779**	**30%**
	FY21	8,493	-	791	-	9,284	-
Total	**FY22**	**346,694**	**-**	**15,826**	**171,743**	**534,263**	**32%**
	FY21	230,636	116,000	9,432	-	356,068	-

* Fees paid to Ivan Gustavino include $20,000 for the temporary role of Executive Chairman through to 29 August 2021 and $40,000 in special exertion fees in respect of the period September to December 2021.

Directors' Report continued

Remuneration Report (Audited) continued

Section C: Details of Remuneration for the years ended 30 June 2022 and 30 June 2021 continued

Remuneration of Executive KMP

		Short term benefits		Post-employment benefits			Share-based payments			
Executives	Year	Salary	Cash Bonus	Other Benefits	Annual Leave	Superannuation	Long Service Leave	Options and Rights	Total remuneration	Performance related
Rod Sherwood - Chief Executive Officer										
	FY22	**15,750**	**-**	**93,955**	**-**	**1,731**	**-**	**70,848**	**182,284**	**39%**
	FY21	363,867	-	-	-	22,023	4,549	106,503	496,942	21%
Michael Ivanchenko - Chief Executive Officer										
	FY22	**248,077**	**-**	**-**	**19,083**	**20,673**	**-**	**201,216**	**489,049**	**41%**
	FY21	-	-	-	-	-	-	-	-	-
Jason Margach - Chief Financial and Operating Officer										
	FY22	**218,355**	**-**	**-**	**-**	**20,500**	**-**	**42,072**	**280,927**	**15%**
	FY21	210,326	-	-	-	13,708	-	68,177	292,211	23%
Others *****										
Jenny Cutri	FY21	136,575	-	-	-	12,975	-	51,773	201,323	26%
Declan Hoare	FY21	55,000	-	-	-	5,225	874	-	61,099	0%
Petra Nelson	FY21	55,000	-	-	-	5,225	874	-	61,099	0%
Craig Sharp	FY21	130,625	-	-	-	12,409	2,148	24,163	169,345	14%
Total	**FY22**	**448,827**	**-**	**113,955**	**32,438**	**42,904**	**-**	**314,136**	**952,260**	**33%**
	FY21	951,393	-	-	-	71,565	8,445	250,616	1,282,019	20%

* From 1 July 2021, these employees were no longer considered to be part of the Group's KMP.

Performance Based Compensation

Share-based payments: Shares

There were performance-based compensation shares awarded to Key Management Personnel of the Company, including their personally related parties, in FY22.

The proportion of remuneration linked to performance are disclosed in the preceding table.

Share-based payments: Options

During FY22, 468,966 unlisted options exercisable at $0.00 each on or before 17 December 2023, subject to vesting conditions and performance criteria (Employee ZEPO's) were issued to Jason Margach. These options have lapsed and will be cancelled as the performance criteria have not been achieved. The fair value of these options is noted below:

Share Option

Grant Date	Expiry Date	Number	Share Price At Grant Date Cents Per Share	Exercise Price Cents Per Share	Expected Volatility	Dividend Yield	Risk Free Interest Rate	Fair Value At Grant Date Cents Per Share
30 June 2022								
8-Dec-21	17-Dec-23	468,966	15.0	-	80.0%	-	0.55%	5.2

Directors' Report continued

Remuneration Report (Audited) continued

Section C: Details of Remuneration for the years ended 30 June 2022 and 30 June 2021 continued

Performance Based Compensation continued

Share-based payments: Performance Rights

During FY22, 6,000,000 unlisted performance rights exercisable at $0.00 each on or before 17 December 2023, subject to vesting conditions and performance criteria (ZPPS's) were issued to Directors.

Performance rights

Grant Date	Expiry Date	Number	Share Price At Grant Date Cents Per Share	Exercise Price Cents Per Share	Expected Volatility	Dividend Yield	Risk Free Interest Rate	Fair Value At Grant Date Cents Per Share
30 June 2022								
29-Nov-21	29-Nov-23	6,000,000	14.5	-	80.0%	-	0.52%	9.8

Share-based payments: Performance Shares

Under a contract entered into during FY22, the Chief Executive Officer entered into a long-term incentive plan to receive in FY25 up to 6,000,000 unlisted performance shares at $0.00 each, subject to vesting conditions and performance criteria (ZPPS).

Performance shares

Grant Date	Expiry Date	Number	Share Price At Grant Date Cents Per Share	Exercise Price Cents Per Share	Expected Volatility	Dividend Yield	Risk Free Interest Rate	Fair Value At Grant Date Cents Per Share
30 June 2022								
08-Aug-21	30-Sep-24	2,000,000*	16.0	-	80.0%	-	0.17%	5.3
08-Aug-21	30-Sep-24	2,000,000*	16.0	-	80.0%	-	0.17%	6.0
08-Aug-21	30-Sep-24	2,000,000*	16.0	-	80.0%	-	0.17%	6.3

*Michael Ivanchenko has a contractual right to receive up to 6,000,000 performance shares in FY25 as part of the long-term incentive plan, but no shares or options have been issued as at 30 June 2022.

Employment Contract of Chief Executive Officer

On 1 August 2021, the Company entered into an agreement with Mr Ivanchenko that set out the terms and conditions of his appointment as a Chief Executive Officer (**Agreement**).

In consideration for the appointment of Mr Ivanchenko, the Company has agreed to pay the following:

- Remuneration is $325,000 per annum (being comprised of a base salary of $300,000 per annum and superannuation contributions of $25,000 per annum).
- Subject to attainment of the Performance Hurdles set out below, on completion of the FY24 audited financial results as approved by the board, and subject to any approval of shareholders or regulators as may be required, the granting of 6,000,000 Zero Price Performance Shares ("ZPPS").

Performance Hurdle

Target 1 - Share price of $0.25 for three (3) consecutive months between Commencement Date and 30 June 2022. The share price hurdle is based on a market capitalisation of $107 million with the current number of shares on issue. If Target 1 is achieved, then the CEO will be entitled to earn 2,000,000 ZPPS on the Reward Date. If Target 1 is not achieved, then the Bonus Pool for Target 2 or Target 3 will be increased by 1,000,000 ZPPS. Target 1 was not achieved.

Target 2 - Share price of $0.40 for three (3) consecutive months during the financial year ended on 30 June 2023. The Bonus Pool for this Target is 2,000,000 ZPPS, plus any increase from Target 1, if that has not already been achieved. If Target 2 is not achieved, then the Bonus Pool for Target 3 will be increased by 1,000,000 ZPPS.

Directors' Report continued

Remuneration Report (Audited) continued

Section C: Details of Remuneration for the years ended 30 June 2022 and 30 June 2021 continued

Performance Based Compensation continued

Employment Contract of Chief Executive Officer continued

Target 3 - Share price of $0.60 for three (3) consecutive months during the financial year ended on 30 June 2024. The share price hurdle is based on a market capitalisation of $258 million with the current number of shares on issue. The Bonus Pool for this Target is 2,000,000 ZPPS, plus any increase from Target 1 or Target 2, if either or both of those Targets have not already been achieved.

The Company may terminate the contract with Mr Ivanchenko by giving six months written notice. Mr Ivanchenko may terminate his tenure by giving three months written notice to the Company. The Company may decide to pay in lieu of notice for part or all of the period of notice. If the Company decides to pay in lieu of notice, it will calculate the payment on the basis of the Mr Ivanchenko's gross annual salary paid to the Employee at the time of the termination.

Employment Contract of Chief Financial & Operations Officer

On 1 October 2021, the Company entered into an agreement with Mr Margach that set out the terms and conditions of his appointment as a Chief Financial & Operating Officer.

In consideration for the appointment of Mr Margach, the Company has agreed to pay the following:

- Remuneration of a base salary of $205,000 per annum and superannuation contributions in accordance with the Employer Superannuation Guarantee.
- Participation in the Employee Share Plan.

His contract is an ongoing contract, and his termination requires a 4 week notice from either party.

Mr Margach has a post-employment competition clause for a period of up to six months after the termination of his contract.

Directors' Report continued

Remuneration Report (Audited) continued

Section D: Share, Option and Rights Holdings

Shareholding

The movement during the reporting period in the number of Shares held, directly, indirectly or beneficially by each KMP, including their related parties, is as follows:

	Held at 1 July 2021	Received as part of remuneration	Purchases	Disposals	Held at 30 June 2022
Directors	**No.**	**No.**	**No.**	**No.**	**No.**
Ivan Gustavino	919,565	-	148,562	-	1,068,127
George Cameron-Dow	806,061	-	-	-	806,061
Oliver Stewart	2,668,000	-	-	-	2,668,000
Jon Birman	21,897,811	-	300,000	-	22,197,811
Executives					
Rod Sherwood	14,408,770	1,150,400	-	(1,650,000)	13,909,170
Michael Ivanchenko	-	-	-	-	-
Jason Margach	31,950	711,548	-	-	743,498
Total	**40,732,157**	**1,861,948**	**448,562**	**(1,650,000)**	**41,392,667**

All shareholdings noted above are held either directly by the KMP or indirectly through their associates.

Option holding

The movement during the reporting period in the number of Options held, directly, indirectly or beneficially by each KMP, including their related parties, is as follows:

	Held at 1 July 2021	Granted during the year	Vested and exercised	Expired/Forfeited	Unvested
Directors	**No.**	**No.**	**No.**	**No.**	**No.**
Ivan Gustavino	10,000,000	-	-	(10,000,000)	-
George Cameron-Dow	-	-	-	-	-
Oliver Stewart	-	-	-	-	-
Jon Birman	-	-	-	-	-
Executives					
Rod Sherwood	3,870,000	-	(1,150,400)	(2,719,600)	-
Michael Ivanchenko	-	-	-	-	-
Jason Margach	1,102,024	468,966	(711,548)	(859,442)	-
Total	**14,972,024**	**468,966**	**(1,861,948)**	**(13,579,042)**	**-**

Directors' Report continued

Remuneration Report (Audited) continued

Section D: Share, Option and Rights Holdings continued

Performance rights

The movement during the reporting period in the number of performance rights held, directly, indirectly or beneficially by each KMP, including their related parties, is as follows:

	Held at 1 July 2021	Granted during the year	Vested and exercised	Expired/forfeited	Unvested
Directors	**No.**	**No.**	**No.**	**No.**	**No.**
Ivan Gustavino	-	3,000,000	-	-	3,000,000
George Cameron-Dow	-	1,000,000	-	-	1,000,000
Oliver Stewart	-	1,000,000	-	-	1,000,000
Jon Birman	-	1,000,000	-	-	1,000,000
Executives					
Rod Sherwood	-	-	-	-	-
Michael Ivanchenko	-	-	-	-	-
Jason Margach	-	-	-	-	-
Total	**-**	**6,000,000**	**-**	**-**	**6,000,000**

Performance shares

Under a contract entered into during FY22, the Chief Executive Officer entered into a long-term incentive plan to receive in FY25 up to 6,000,000 unlisted performance shares at $0.00 each, subject to vesting conditions and performance criteria (ZPPS).

Section E: Other transactions with Directors, KMP and their related parties

Transactions with related parties

The company made contractual payments amounting to $85,000 (FY21: $35,000) to Wavescope Investments Pty Ltd, a related party of Jon Birman, in relation to leased premises at 35 Oxford Close, West Leederville. There were no balances due to or from Wavescope Investments Pty Ltd as at 30 June 2022 (FY21: Nil).

There were no transactions with the other key management personnel during the year (FY21: Nil).

Loan to Directors and their related parties

No loans have been made to any Director or any of their related parties during the year (FY21: Nil).

There were no further transactions with Directors including their related parties not disclosed above or in Note 28.

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

Directors' Report continued

Remuneration Report (Audited) continued

Section E: Other transactions with Directors, KMP and their related parties continued

Additional Information

The earnings of the Group for the five years to 30 June 2022 are summarised below:

	2022 $	2021 $	2020 $	2019 $	2018 $
Revenue	26,371,577	17,477,084	12,367,466	12,363,970	12,517,024
EBITDA	1,107,981	242,138	(361,619)	(539,557)	(1,885,115)
Loss before income tax	(1,316,335)	(1,070,857)	(1,443,988)	(1,319,744)	(2,686,952)
Loss after income tax	(1,503,267)	(1,008,141)	(1,253,036)	(1,094,550)	(2,541,127)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2022 $	2021 $	2020 $	2019 $	2018 $
Share price at end of year (cents)	9.5	14.0	6.7	20.0	8.4
Dividends per share (cents)	-	-	-	-	-
Basic loss per share (cents)	0.4	0.3	0.4	0.4	1.0
Diluted loss per share (cents)	0.4	0.3	0.4	0.4	1.0

End of Audited Remuneration Report

Directors' Report continued

Indemnification and Insurance of Directors and other Officers

Under the Company's Constitution and to the extent permitted by law (subject to the restrictions in section 199A and 199B of the Corporations Act 2001), the Company indemnifies every person who is or has been an officer of the Company against:

a) any liability (other than for legal costs) incurred by that person as an officer of the Company where the Company requested the officer to accept appointment as Director.
b) reasonable legal costs incurred in defending an action for a liability incurred by that person as an officer of the Company.

The Company has insured its Directors, the Company Secretary and executive officers. Under the Company's Directors' and Officers' Liability Insurance Policy (D&O Policy), the Company cannot release to any third party or otherwise publish details of the nature of the liabilities insured by the policy or the amount of the premium. Accordingly, the Company relies on section 300(9) of the Corporations Act 2001 to exempt it from the requirement to disclose the nature of the liability insured against and the premium amount of the relevant policy.

The Company also has in place a Deed of Indemnity, Access and Insurance with each of the Directors. This Deed:

(i) indemnifies the Director to the extent permitted by law and the Constitution against certain liabilities and legal costs incurred by the Director as an officer of any Group Company;
(ii) requires the Company to maintain, and pay the premium for, a D&O Policy in respect of the Director; and
(iii) provides the Director with access to particular papers and documents requested by the Director for a Permitted Purpose (as defined in the deed);

both during the time that the Director holds office and for a seven-year period after the Director ceases to be an officer of any Group Company, on the terms and conditions contained in the Deed.

Auditors

RSM Australia Partners ('RSM') continues in office in accordance with Section 327 of the Corporations Act 2001.

Indemnification and Insurance of Auditors

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

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

Share Options on issue

As at the date of this report the unissued ordinary shares of the Company under option were:

Class	Date of Expiry	Exercise Price (Cents)	No. Under Option
Unlisted	11 May 2023	22.2	514,800
Unlisted	18 February 2024	37.1	4,500,000
Unlisted	17 December 2023	Nil	1,875,864
Unlisted	17 December 2023	Nil	6,000,000
Unlisted	28 January 2024	Nil	296,296

Shares Issued as a Result of the Exercise of Options

5,716,420 shares were issued as a result of the exercise of options over ordinary shares during the year (FY21: Nil)

Directors' Report continued

Proceedings on Behalf of the Company

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

From time to time in the ordinary course of business, the Group may be involved in litigation or regulatory actions arising from a wide range of matters. The Group may also be involved in investigations, inquiries or disputes, debt recoveries, commercial and contractual disputes or occupational health and safety claims. The Group has an experienced legal team that monitors and manages potential and actual claims, actions and disputes; and where cost-effective, has insurance policies covering potential losses.

The Group discloses any material matters that it considers require a contingency provision.

Constitution

The Company adopted its current Constitution as per shareholder approval obtained at the 2019 AGM.

Non-Audit Services

RSM may be employed on assignments additional to their audit services.

Details of the amounts paid or payable to RSM for audit and non-audit services provided during the financial year are outlined in Note 9 to the financial statements.

The directors are satisfied that where such services are provided, the provision of non-audit services during the financial year, by the auditor, is compatible with, and did not compromise the general standard of independence for auditors imposed by the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved by the Board and the CEO to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the Company or jointly sharing economic risks and rewards.

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included within the financial statements and forms part of this Directors' Report.

Corporate Governance

In recognising the need for the highest standards of corporate behaviour and accountability, the Directors support and adhere to good corporate governance practices. The Company's Corporate Governance Statement is contained in the 'Corporate Governance' section of the Company's website at www.CVCheck.com/investors.

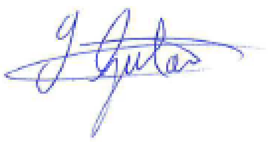
Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

Declaration

This Directors' Report is made in accordance with a resolution of directors made pursuant to Section 298(2)(a) of the Corporations Act 2001.

Signed on behalf of the Board of Directors



Ivan Gustavino

Non-Executive Chairman
24 August 2022

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of CV Check Ltd for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(i) The auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(ii) Any applicable code of professional conduct in relation to the audit.

RSM AUSTRALIA PARTNERS

AIK KONG TING
Partner

Perth, WA
Dated: 24 August 2022

Financial Statements

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

		Consolidated	
		30 June 2022	30 June 2021
	Note	$	$
Revenue	4	26,371,577	17,477,084
Other income		6,606	504,306
Interest Income		54,533	49,265
Expenses			
Cost of sales		(9,606,102)	(7,207,612)
Director and employee benefits expense		(10,076,867)	(6,393,614)
Depreciation and amortisation expense	13,14	(2,399,302)	(1,312,995)
Finance costs		(35,548)	(23,239)
Marketing expenses		(2,088,810)	(1,142,339)
Share based payment expense	20	(702,479)	(571,049)
Professional and legal fees		(397,574)	(391,187)
Occupancy expenses		(372,397)	(252,067)
IT expenses		(1,400,568)	(588,833)
Other expenses	5	(669,404)	(1,192,551)
(Loss) before income tax for the year		**(1,316,335)**	**(1,044,831)**
Income tax (expense) / benefit	6	(186,932)	36,690
(Loss) after income tax for the year		**(1,503,267)**	**(1,008,141)**
Other comprehensive (loss) / income			
Exchange differences arising on translation of foreign operations		(55,681)	81,525
Other comprehensive (loss) / income for the year (net of tax)		**(55,681)**	**81,525**
Total comprehensive loss for the year attributable to equity holders of the Parent Entity		**(1,558,948)**	**(926,616)**
(Loss) per share attributable to equity holders of the Parent Entity:			
Basic and Diluted loss per Share (cents per share)	8	(0.35)	(0.30)

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2022

		Consolidated	
		30 June 2022	30 June 2021
	Note	$	$
CURRENT ASSETS			
Cash and cash equivalents	10	12,197,837	12,905,805
Trade and other receivables	11	2,804,884	2,956,765
Other current assets	12	213,923	429,405
Total Current Assets		**15,216,644**	**16,291,975**
NON CURRENT ASSETS			
Plant and equipment	13	1,970,957	323,606
Intangibles	14	16,436,875	15,891,968
Deferred tax asset	6	30,722	-
Total Non Current Assets		**18,438,554**	**16,215,574**
TOTAL ASSETS		**33,655,198**	**32,507,549**
CURRENT LIABILITIES			
Trade and other payables	15	3,924,460	3,763,371
Employee benefits	17	1,359,272	1,562,659
Lease liability	16	250,525	217,810
Contract liabilities	18	1,062,423	648,017
Income tax liability	6	191,239	106,079
Total Current Liabilities		**6,787,919**	**6,297,936**
NON CURRENT LIABILITIES			
Lease liability	16	1,498,876	-
Total Non Current Liabilities		1,498,876	-
TOTAL LIABILITIES		**8,286,795**	**6,297,936**
NET ASSETS		**25,368,403**	**26,209,613**
EQUITY			
Issued capital	19	47,941,406	47,193,068
Reserves	19	754,273	1,082,675
(Accumulated losses)	21	(23,327,276)	(22,066,130)
TOTAL EQUITY		**25,368,403**	**26,209,613**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2022

	Note	Consolidated 30 June 2022 $	30 June 2021 $
Cash flows from operating activities			
Receipts from customers		29,070,283	16,958,243
Payments to suppliers and employees		(25,545,298)	(16,046,428)
Finance costs paid		(35,548)	(10,669)
Interest received		54,533	49,265
Income tax paid		(187,950)	-
Receipt of income tax refund and government grants		54,213	828,110
Acquisition related costs expensed		(349,968)	(733,082)
Net cash flows from operating activities	**25**	**3,060,265**	**1,045,439**
Cash flows from investing activities			
Payment for purchases of plant and equipment	13	(218,326)	(46,182)
Payment for intangible assets	14	(2,582,665)	(878,272)
Payment of expenses and loans relating to acquisition	23	(662,390)	(1,782,068)
Net cash effect on the acquisition of entities	23	-	(58,410)
Receipt of bond deposit		287,002	-
Receipt of research and development refunds		-	302,279
Net cash used in investing activities		**(3,176,379)**	**(2,462,653)**
Cash flows from financing activities			
Issue of ordinary shares	19	51,000	10,500,000
Capital raising costs for issue of shares	19	-	(550,224)
Share buyback	19	(35,741)	-
Repayment for lease liabilities	16	(265,108)	(337,255)
Repayment of business insurance premiums		(302,058)	-
Net cash (used in) / from financing activities		**(551,907)**	**9,612,521**
Net (decrease) / increase in cash and cash equivalents		(668,021)	8,195,307
Cash and cash equivalents at the beginning of the period		12,905,805	4,627,716
Cash balance on acquisition of entities	23	-	58,410
Effects of exchange rate changes on the balance of cash held in foreign currencies		(39,947)	24,372
Cash and cash equivalents at the end of the period		**12,197,837**	**12,905,805**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2022

	Note	Issued Capital $	Share Based Payment Reserve $	Foreign Currency Translation Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2020		**27,323,910**	**255,933**	**(82,435)**	**(21,100,982)**	**6,396,426**
Loss for the year		-	-	-	(1,008,141)	**(1,008,141)**
Other comprehensive income		-	-	81,525	-	**81,525**
Total comprehensive loss for the year		-	-	81,525	(1,008,141)	(926,616)
Transactions with owners in their capacity as owners:						
Shares issued net of issue costs		19,869,158	-	-	-	**19,869,158**
Share based payments		-	870,645	-	-	**870,645**
Options lapsed		-	(42,993)	-	42,993	**-**
Balance at 30 June 2021		**47,193,068**	**1,083,585**	**(910)**	**(22,066,130)**	**26,209,613**
Loss for the year		-	-	-	(1,503,267)	**(1,503,267)**
Other comprehensive income		-	-	(55,681)	-	**(55,681)**
Total comprehensive loss for the year		-	-	(55,681)	(1,503,267)	(1,558,948)
Transactions with owners in their capacity as owners:						
Share buyback		(35,741)	-	-	-	**(35,741)**
Shares issued from exercise of options		784,079	(733,079)	-	-	**51,000**
Share based payments		-	702,479	-	-	**702,479**
Options lapsed		-	(242,121)	-	242,121	**-**
Balance at 30 June 2022		**47,941,406**	**810,864**	**(56,591)**	**(23,327,276)**	**25,368,403**

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Note 1. Corporate information

The consolidated financial statements of CV Check Limited and its subsidiaries (collectively, the Group) for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 24 August 2022. CV Check Limited (the Company or the parent) is a limited company incorporated and domiciled in Western Australia whose shares are publicly traded. The registered office is Level 4, 999 Hay Street, Perth Western Australia.

The Group is principally engaged in the provision of screening and verification services and the provision of SaaS-based workforce management and compliance technology systems.

Note 2. Significant accounting policies

2.1 Basis of Preparation

These general purpose financial statements of the Group have been prepared in accordance Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001.* These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').
The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The consolidated financial statements provide comparative information in respect of the previous period. In addition, the Group presents an additional statement of financial position at the beginning of the preceding period when there is a retrospective application of an accounting policy, a retrospective restatement, or a reclassification of items in financial statements. Where necessary, comparative figures have been re-stated to conform with changes in presentation for the current year.

Historical cost

The financial statements have been prepared under the historical cost convention, except for certain financial instruments, which have been measured at fair value.

Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Company's presentation currency and the functional currency of the Company and its subsidiaries, except for the New Zealand operations in which the functional currency is in New Zealand dollars.

Critical accounting estimates

The preparation of financial statements requires management to use estimates, judgements and assumptions. Application of different assumptions and estimates may have a significant impact on the Group's net assets and financial results. Estimates and assumptions are reviewed on an ongoing basis and are based on the latest available information at each reporting date. Actual results may differ from the estimates.

Rounding of amounts

All amounts in the financial statements have been rounded to the nearest dollars, except as indicated in accordance with the ASIC Corporations instrument 2016/191.

Principles of consolidation

The consolidated financial statements comprise the financial statement of the Group. A list of significant controlled entities (subsidiaries) at year end is contained in Note 22. The financial statements of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Notes to the Financial Statements continued

Note 2. Significant accounting policies continued

2.2 Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2022. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.3 Summary of significant accounting policies

a) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with AASB 9. Other contingent consideration that is not within the scope of AASB 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

Notes to the Financial Statements continued

Note 2. Significant accounting policies continued

2.3 Summary of significant accounting policies continued

a) Business combinations and goodwill continued

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

b) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or

There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

c) Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each balance sheet date. 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability

or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

Notes to the Financial Statements continued

Note 2. Significant accounting policies continued

2.3 Summary of significant accounting policies continued

c) Fair value measurement continued

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
The Group's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for sale in discontinued operations. The

Valuation Committee is comprised of the head of the investment properties segment, heads of the Group's internal mergers and acquisitions team, the head of the risk management department, chief finance officers and the managers of each property.
External valuers are involved for valuation of significant assets, such as investment properties and unquoted financial assets, and significant liabilities, such as contingent consideration. Involvement of external valuers is determined annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Valuation Committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Valuation Committee also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the Valuation Committee presents the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

d) Revenue from contracts with customers

The Group is in the business of providing screening and verification and SaaS-based workforce management and compliance technology systems. Revenue from contracts with customers is recognised when services are provided at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. The Group has generally concluded that it is the principal in its revenue arrangements, because it typically controls the services before transferring them to the customer.

Screening and verification
Revenue from pre-employment screening and workforce compliance monitoring is recognised at the point in time when the service is provided to the customer. The normal credit term is 30 to 60 days upon completion of the service. The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the provision of pre-employment screening and workforce compliance monitoring, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the customer (if any).

SaaS-based workforce management and compliance technology systems
Subscription services are treated as a single performance obligation, access to digital platforms and data under the subscription is a series of services substantially integrated with the same pattern of transfer. Accordingly, subscription revenue is recognised evenly over the subscription period.

(i) Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for the provision of services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. The Group also provides retrospective volume rebates to certain customers once the quantity of services purchased during the period exceeds the threshold specified in the contract. The volume rebates give rise to variable consideration.

The Group applies either the most likely amount method or the expected value method to estimate the variable consideration in the contract. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The most likely amount is used for those contracts with a single volume threshold, while the expected value method is used for those with more than one volume threshold. The Group then applies the requirements on constraining estimates of variable consideration in order to determine the amount of variable consideration that can be included in the transaction price and recognised as revenue. A refund liability is recognised for the expected future rebates (i.e., the amount not included in the transaction price).

Notes to the Financial Statements continued

Note 2. Significant accounting policies continued

2.3 Summary of significant accounting policies continued

d) Revenue from contracts with customers continued

(ii) Significant financing component

The Group receives advance payments from customers for the provision of pre-employment screening and workforce compliance monitoring. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract. This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception.

The Group applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the provision service and the payment is one year or less.

(iii) Contract balances

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

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group completes the services. Contract liabilities are recognised as revenue when the Group performs under the contract.

Cost to obtain a contract
The Group pays sales commission to its employees for certain contracts that they obtain. The Group applies the optional practical expedient to immediately expense costs to obtain a contract if the amortisation period of the asset that would have been recognised is one year or less. As such, sales commissions are immediately recognised as an expense and included as part of employee benefits.

e) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

f) Taxes

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Notes to the Financial Statements continued

Note 2. Significant accounting policies continued

2.3 Summary of significant accounting policies continued

f) Taxes continued

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports, which, among other things, reflect the potential impact of climate-related development on the business, such as increased cost of production as a result of measures to reduce carbon emission.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Goods and Services Tax ("GST")
Revenues, expenses and assets are recognised net of the amount of GST unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

g) Foreign currencies

The Group's consolidated financial statements are presented in Australian Dollars, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(i) Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Notes to the Financial Statements continued

Note 2. Significant accounting policies continued

2.3 Summary of significant accounting policies continued

g) Foreign currencies continued

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(ii) Group companies
On consolidation, the assets and liabilities of foreign operations are translated into Australian Dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

h) Cash dividend

Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

i) Plant and equipment

Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

- Computer equipment 3 to 4 years
- Plant & equipment 5 to 20 years
- Leasehold improvements 5 years
- Furniture & fittings 5 to 20 years

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee
The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Notes to the Financial Statements continued

Note 2. Significant accounting policies continued

2.3 Summary of significant accounting policies continued

j) Leases continued

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

k) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

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.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Notes to the Financial Statements continued

Note 2. Significant accounting policies continued

2.3 Summary of significant accounting policies continued

k) Intangible assets continued

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

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- Its intention to complete and its ability and intention to use or sell the asset
- How the asset will generate future economic benefits
- The availability of resources to complete the asset
- The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete, and the asset is available for use. It is amortised over the period of expected future benefit. Amortisation is recorded in cost of sales. During the period of development, the asset is tested for impairment annually

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

A summary of the policies applied to the Group's intangible assets is, as follows:

	Goodwill	Intellectual Property	Customer contracts and relationships	Website
Useful Lives	Indefinite	Finite (9 years)	Finite (9 years)	Finite (2.5 years)
Amortisation method used	No amortisation	Amortised on a straight-line basis over the period of expected benefit	Amortised on a straight-line basis over the period of expected benefit	Amortised on a straight-line basis over the period of expected benefit
Internally generated or acquired	Acquired	Acquired	Acquired	Internally generated

l) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price as disclosed in section (d) Revenue from contracts with customers.
In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Notes to the Financial Statements continued

Note 2. Significant accounting policies continued

2.3 Summary of significant accounting policies continued

l) Financial instruments – initial recognition and subsequent measurement continued

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
Financial assets at amortised cost (debt instruments). Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.
The Group's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through OCI (debt instruments)
For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
  Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Notes to the Financial Statements continued

Note 2. Significant accounting policies continued

2.3 Summary of significant accounting policies continued

l) Financial instruments – initial recognition and subsequent measurement continued

Impairment
The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Notes to the Financial Statements continued

Note 2. Significant accounting policies continued

2.3 Summary of significant accounting policies continued

l) Financial instruments – initial recognition and subsequent measurement continued

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss

m) Financial instruments – initial recognition and subsequent measurement continued

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

n) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 30 June and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 30 June at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

o) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Notes to the Financial Statements continued

Note 2. Significant accounting policies continued

2.3 Summary of significant accounting policies continued

p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

q) Employee benefits

Short term benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term benefits
The liabilities for annual leave and long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. A liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date 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 reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

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

r) Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given in Note 20.
That cost is recognised in employee benefits expense, together with a corresponding increase in equity (other capital reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.
Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the grant date fair value of the unmodified award, provided the original vesting terms of the award are met. An additional expense, measured as at the date of modification, is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee. Where an award is cancelled by the entity or by the counterparty, any remaining element of the fair value of the award is expensed immediately through profit or loss.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

Notes to the Financial Statements continued

Note 2. Significant accounting policies continued

2.3 Summary of significant accounting policies continued

s) Finance costs

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

t) Issued capital

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

u) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of CV Check Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

v) Operating segments

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

w) New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory, have not been early adopted for the annual reporting period ended 30 June 2022. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based Payments

Equity- settled and cash-settled share-based compensation benefits are provided to employees and third-party service providers.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees and third-party service providers in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. The value attributed to share options and remunerations shares issued is an estimate calculated using an appropriate mathematical formula based on either the Binomial or Black-Scholes option pricing model. The choice of models and the resultant option value require assumptions to be made in relation to the likelihood and timing of the conversion of the options to shares and the value of volatility of the price of the underlying shares.

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

Notes to the Financial Statements continued

Note 3. Significant accounting judgements, estimates and assumptions continued

Goodwill

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated above. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Coronavirus (COVID-19) pandemic

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

Income tax

The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Estimation of useful life of assets

The Group determines the estimated useful life and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Notes to the Financial Statements continued

Note 4. Revenue from Contracts with Customers

Disaggregated revenue information

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Type of service		
Transactional		
Criminal history checks	15,415,040	11,024,681
Other checks	8,519,877	5,879,148
	23,934,917	16,903,829
Software as a Service ('SAAS')	2,436,660	573,255
Total revenue from contracts with customers	**26,371,577**	**17,477,084**
Geographical markets		
Australia	23,306,855	14,984,259
New Zealand	3,064,722	2,492,825
Total revenue from contracts with customers	**26,371,577**	**17,477,084**
Timing of revenue recognition		
Services rendered at a point in time	23,934,917	16,903,829
Services rendered over time	2,436,660	573,255
Total revenue from contracts with customers	**26,371,577**	**17,477,084**

Note 5. Other Expenses

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Insurance	344,545	191,503
Communication	54,622	70,382
Acquisition related costs	37,216	733,082
Travel	39,698	17,552
Others	193,323	180,032
Total Other Expenses	**669,404**	**1,192,551**

Notes to the Financial Statements continued

Note 6. Income Tax

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Income tax expense		
Current income tax:		
Current income tax expense / (benefit)	217,654	(36,690)
Adjustments in respect of current income tax of previous year	-	-
	217,654	(36,690)
Deferred income tax:		
Relating to origination and reversal of temporary differences	(115,142)	(36,439)
Carry forward tax losses	(312,032)	(32,458)
Deferred tax not brought to account	396,452	68,897
	(30,722)	-
Income tax expense / (benefit) reported in the Statement of Profit or Loss and Other Comprehensive Income	**186,932**	**(36,690)**
Reconciliation of income tax expense to prima facie tax payable		
Loss before income tax expense	(1,316,335)	(1,044,831)
Tax at the Australian rate of 25% (2021: 26%)	(329,084)	(271,656)
Effect of tax rates in foreign jurisdictions	(5,620)	19,994
Tax effect:		
Non-deductible share-based payment	175,620	148,473
Other expenditure not deductible	3,777	153,322
Research and development tax refund	(54,213)	(155,720)
Deferred tax not brought to account	396,452	68,897
Income tax expense / (benefit)	**186,932**	**(36,690)**

Unrecognised deferred tax balances

The Group recognised deferred tax balance of $30,722 (FY21:$nil) in relation to its subsidiary in New Zealand. However, the Group does not currently recognise any deferred tax asset arising from its accumulated losses. The Directors estimate that the potential deferred tax assets at 25% (FY21: 26%) not brought to account attributable to tax losses carried forward at reporting date is approximately $4,399,191 (FY21: $3,958,935).

The losses have not been brought to account because the Directors do not believe it is appropriate to regard realisation of those deferred tax assets as being probable in the near future. The benefit of these deferred tax assets will only be obtained if:

i. the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the temporary differences to be realised;
ii. the Company continues to comply with the conditions for deductibility imposed by tax legislation; and
iii. no changes in tax legislation adversely affect the entity in realising the benefit from the deductions for the temporary differences.

Notes to the Financial Statements continued

Note 7. Key Management Personnel Compensation

Refer to the remuneration report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Group's Key Management Personnel.

The aggregate compensation made to Directors and Key Management Personnel is set out below:

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Short-term employee benefits	941,913	1,298,029
Post-employment benefits	58,730	80,997
Long-term benefits	-	8,445
Share based payments	485,879	250,616
	1,486,522	**1,638,087**

Note 8. Loss per Share

Basic (loss) per share (cents)	(0.35)	(0.30)
Diluted (loss) per share (cents)	(0.35)	(0.30)
Net loss used in the calculation of basic and diluted loss per share	(1,503,267)	(1,008,141)
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	432,532,369	332,505,960
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted loss per share	432,532,369	332,505,960

Note 9. Auditor's Remuneration

Remuneration of the current auditor of the Group,		
Audit services		
Audit or review of the financial statements	69,500	62,000
Other services		
Taxation advisory and compliance	49,680	38,074
Other – Due diligence, R&D incentive services	1,000	118,449
Total Auditor Remuneration	**120,180**	**218,523**

Note 10. Cash and Cash Equivalents

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Cash at banks and on hand	12,127,837	12,835,805
Short term deposit	70,000	70,000
Total Cash and Cash Equivalents	**12,197,837**	**12,905,805**

Cash and cash equivalents include a sum of $320,000 held as bank guarantee for the lease of the Group's office premises.

Notes to the Financial Statements continued

Note 11. Trade and Other Receivables

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Trade receivables	2,795,693	2,801,905
Allowance for expected credit losses	(16,016)	(16,016)
Trade receivables net of expected credit losses	2,779,677	2,785,889
Other receivables	25,207	170,876
Total Trade and other receivables	**2,804,884**	**2,956,765**

There is no movement to the allowance for expected credit losses.

Note 12. Other Current Assets

Prepayments	213,923	142,403
Rental bond	-	287,002
Total Trade and other receivables	**213,923**	**429,405**

Note 13. Plant and Equipment

Computer equipment at cost	327,751	274,942
Accumulated depreciation	(146,833)	(204,466)
Net carrying value	**180,918**	**70,476**
Plant and equipment – at cost	1,720	82,590
Accumulated depreciation	(917)	(51,804)
Net carrying value	**803**	**30,786**
Right-of-use assets – at cost	1,792,734	949,978
Accumulated depreciation	(94,887)	(782,937)
Net carrying value	**1,697,847**	**167,041**
Furniture and fittings – at cost	143,669	297,690
Accumulated depreciation	(98,603)	(242,387)
Net carrying value	**45,066**	**55,303**
Leasehold improvements – at cost	47,997	-
Accumulated depreciation	(1,674)	-
Net carrying value	**46,323**	**-**
Total Plant and Equipment	**1,970,957**	**323,606**

Notes to the Financial Statements continued

Note 13. Plant and Equipment continued

Set out below are the carrying amounts of plant and equipment and the movements during the period:

	Computer equipment	Plant & equipment	Right-of-use assets	Furniture & fittings	Leasehold improvements	Total
	$	$	$	$	$	$
Carrying amount as at 30 June 2020	**54,187**	**36,596**	**232,922**	**64,842**	**-**	**388,547**
Acquired as part of business combination	8,832	-	34,786	4,290	-	47,908
Modification of right of use assets	-	-	176,365	-	-	176,365
Additions of plant and equipment	38,285	-	6,949	948	-	46,182
Foreign exchange difference	(471)	-	(671)	(482)	-	(1,624)
Depreciation expense	(30,357)	(5,810)	(283,310)	(14,295)	-	(333,772)
Disposal of assets	-	-	-	-	-	-
Carrying amount as at 30 June 2021	**70,476**	**30,786**	**167,041**	**55,303**	**-**	**323,606**
Additions of plant and equipment	167,427	-	-	2,904	47,995	218,326
Additions of right-of-use assets	-	-	1,796,699	-	-	1,796,699
Foreign exchange difference	(2,228)	-	(3,409)	(431)	-	(6,068)
Depreciation expense	(54,695)	(29,983)	(262,484)	(12,710)	(1,672)	(361,544)
Disposal of assets	(62)	-	-	-	-	(62)
Carrying amount as at 30 June 2022	**180,918**	**803**	**1,697,847**	**45,066**	**46,323**	**1,970,957**

Note 14. Intangible Assets

	Consolidated 30 June 2022	Consolidated 30 June 2021
	$	$
Goodwill	4,669,730	4,669,730
Accumulated impairment	-	-
Net carrying value	**4,669,730**	**4,669,730**
Website development	4,874,718	5,895,908
Accumulated amortisation	(1,726,292)	(4,511,406)
Net carrying value	**3,148,426**	**1,384,502**
Intellectual property	7,385,354	7,549,543
Accumulated amortisation	(1,119,982)	(368,595)
Net carrying value	**6,265,372**	**7,180,948**
Customer Contracts	1,001,000	1,001,000
Accumulated amortisation	(138,422)	(27,201)
Net carrying value	**862,578**	**973,799**
Customer Relationships	1,730,000	1,730,000
Accumulated amortisation	(239,231)	(47,011)
Net carrying value	**1,490,769**	**1,682,989**
Total Intangible Assets	**16,436,875**	**15,891,968**

Notes to the Financial Statements continued

Note 14. Intangible Assets continued

Set out below are the carrying amounts of intangible assets and the movements during the period:

	Goodwill	Website	Intellectual property	Customer Contracts	Customer Relationships	Total
	$	$	$	$	$	$
Carrying amount as at 30 June 2020	**1,365,839**	**1,513,057**	**520**	**-**	**-**	**2,879,416**
Acquired as part of business combination	3,310,065	-	7,381,000	1,001,000	1,730,000	13,422,065
Additions	-	878,272	-	-	-	878,272
Foreign exchange difference	(6,174)	(109)	-	-	-	(6,283)
Amortisation expense	-	(704,439)	(200,572)	(27,201)	(47,011)	(979,223)
R&D tax offset recognised	-	(302,279)	-	-	-	(302,279)
Carrying amount as at 30 June 2021	**4,669,730**	**1,384,502**	**7,180,948**	**973,799**	**1,682,989**	**15,891,968**
Additions	-	2,582,665	-	-	-	2,582,665
Amortisation expense	-	(818,741)	(915,576)	(111,221)	(192,220)	(2,037,758)
Carrying amount as at 30 June 2022	**4,669,730**	**3,148,426**	**6,265,372**	**862,578**	**1,490,769**	**16,436,875**

Goodwill acquired during previous years through business combinations has been allocated to the following cash-generating units:

	Consolidated	
	30 June 2022	30 June 2021
	$	$
New Zealand operations	1,359,665	1,359,665
Cited and Enable platforms	3,310,065	3,310,065
Total Goodwill	**4,669,730**	**4,669,730**

The recoverable amount of the Group's goodwill has been determined by a value-in-use calculation using a discounted cash flow model, based on a 1-year projection period approved by the Board and extrapolated for a further 4 years using a steady rate, together with a terminal value.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.
The following key assumptions were used in the discounted cash flow model for the New Zealand operation:

i. 12.90 % pre-tax discount rate;
ii. Expected growth of 29.4% for FY2023 and 20.00% per annum projected revenue growth rate thereafter; with a decrease projected in year 5 by 5%.
iii. Gross margin improvement of 1% for the first 3 years and then staying consistent thereafter;
iv. Employee benefits costs increase by 10% in the first year, then 5.5% thereafter;
v. Other operating costs and overheads increasing in line with revenue growth from years 2 to year 5 and expected CPI% increase.

The following key assumptions were used in the discounted cash flow model for the Cited and Enable platforms:

i. 11.70 % pre-tax discount rate;
ii. Expected revenue growth of 39.5% for FY23, with expected revenue growth of 20% in year 2, consistent each year until an expected decrease of 5% projected revenue growth rate for year 5. Growth rate for FY23 is based on assumptions that the business will concentrate on the SAAS revenue with the launch of the Oncite Mobile App and the new Cited platform.
iii. Gross margin to remain consistent with that recognised in FY23 but improve 1% each year until it stabilises in Year 4.
iv. Employee benefits costs increase by 28.7% in the first year, then 5.5% thereafter;
v. Other operating costs and overheads increasing in line with revenue growth from years 2 to year 5 and the expected CPI% increase.

The pre-tax discount rate of 12.9% for New Zealand operations and 11.70% for Cited and Enable platforms, reflects management's estimate of the time value of money, the group's weighted average cost of capital adjusted for the New Zealand operations and Cited and Enable platforms businesses, and the risk-free rate.

Notes to the Financial Statements continued

Note 14. Intangible Assets continued

Management believes the projected range of revenue growth is justified, based on the business achieving significantly higher growth rates after leveraging off current operations and internal developments and improvements that has occurred since.

There were no other key assumptions for the two operations.

Sensitivity
As disclosed in Note 3, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur, the resulting goodwill carrying amount may decrease. The key sensitivities are as follows:

New Zealand operations

i. Revenue would need to decrease by 32.7% in year 1, 23.3% from year 2 to year 4, and 18.3% in year 5 before goodwill would need to be impaired, with all assumptions remaining constant.
ii. The pre-tax discount rate needs to increase to more than 126.4% before goodwill would be impaired, with all assumptions remaining constant.

Cited and Enable platforms

i. Revenue would need to decrease by 13% in year 1, and 5% in year 2 to year 5 before goodwill would need to be impaired, with all assumptions remaining constant.
ii. The pre-tax discount rate needs to increase to more than 23.7% before goodwill would be impaired, with all assumptions remaining constant.

Management believes that other reasonable changes in the key assumptions on which the recoverable amount of goodwill is based would not cause the cash-generating unit's recoverable amount to be less than the carrying amount.

Note 15. Trade and Other Payables

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Trade payables	2,083,025	1,080,351
Accrued expenses	720,999	1,695,808
Goods and services tax ("GST")	481,458	468,746
Other payables	638,978	518,466
Total Trade and other payables	**3,924,460**	**3,763,371**

Note 16. Leases

The Group has lease contracts for their office premises with lease terms of 5 years. The Group also has leases of office equipment with low value. The Group applies the "lease of low-value assets" recognition exemptions for these leases. The carrying amounts of right-of-use assets recognised and the movements during the period are shown in Note 13.

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

Notes to the Financial Statements continued

Note 16. Leases continued

	Consolidated	
	30 June 2022	30 June 2021
	$	$
As at 1 July	217,810	219,945
Addition	1,796,699	293,401
Accretion of interest	17,514	12,567
Payments	(265,108)	(337,255)
Foreign exchange difference	(17,514)	29,152
As at 30 June	**1,749,401**	**217,810**
Current	**250,525**	**217,810**
Non-current	**1,498,876**	**-**

The following are the amounts recognised in profit or loss:

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Depreciation expense of right-of-use assets	262,484	283,310
Interest expense on lease liabilities	17,514	12,567
Expenses relating to leases of low-value assets (included in Occupancy expenses)	27,971	-
Total amount recognised in profit or loss	**307,969**	**295,877**

Note 17. Employee Benefits

Current portion of employee leave obligations	1,359,272	1,562,659
Non-current portion of employee leave obligations	-	-
Total Employee Benefits	**1,359,272**	**1,562,659**

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

Note 18. Contract Liabilities

This liability represents the current portion of unearned revenue comprised of payments received from customers for which a check has yet to be commenced. Revenue from these payments will be recognised once the processing of a check has commenced or 12 months after receipt of the payment.

Set out below are the carrying amounts of contract liabilities and the movements during the period:

As at 1 July	648,017	272,717
Deferred during the year	11,576,029	1,629,725
Recognised as revenue during the year	(11,160,524)	(1,254,425)
Foreign exchange difference	(1,099)	-
As at 30 June	**1,062,423**	**648,017**

Notes to the Financial Statements continued

Note 19. Issued Capital and Reserves

Share Capital

	Consolidated 30 June 2022		Consolidated 30 June 2021	
	No.	$	No.	$
Balance at the beginning of the year	**428,826,741**	**47,193,068**	**292,197,676**	**27,323,910**
Shares issued during the year				
Issued under capital raising	-	-	63,636,364	10,500,000
Acquisition of subsidiary	-	-	72,992,701	10,218,978
Exercise of options	5,716,420	784,079	-	-
Share buyback	(310,791)	(35,741)	-	-
Transaction cost attributable to issuance of shares	-	-	-	(849,820)
Balance at the end of the year	434,232,370	47,941,406	428,826,741	47,193,068

Ordinary shares participate in dividends and the proceeds on winding up of the Group in proportion to the number of and amounts paid on the shares held. At shareholder meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands. The ordinary shares have no par value and the Group does not have a limited amount of authorised capital.

A total of 310,791 fully paid ordinary shares have been acquired by CV Check Ltd under the Buy-Back at the Buy-Back Price and have been cancelled in accordance with the Corporations Act 2001. The Buy-Back is not considered to be material and the number of shares acquired is approximately 0.1% of the share capital.

Reserves

	Consolidated 30 June 2022			Consolidated 30 June 2021		
	Share Based Payments Reserve (i)	Foreign Currency Translation Reserve (ii)	Total	Share Based Payments Reserve (i)	Foreign Currency Translation Reserve (ii)	Total
Carrying amount at the beginning of the year	**1,083,585**	**(910)**	**1,082,675**	**255,933**	**(82,435)**	**173,498**
Share-based payments	702,479	-	702,479	870,645	-	870,645
Movement of foreign currency translation reserve	-	(55,681)	(55,681)	-	81,525	81,525
Transfer to issued capital in respect of options vested	(733,079)	-	(733,079)	-	-	-
Transfer to accumulated losses in respect of options expired	(242,121)	-	(242,121)	(42,993)	-	(42,993)
Carrying amount at the end of the year	**810,864**	**(56,591)**	**754,273**	**1,083,585**	**(910)**	**1,082,675**

(i) *Share based payments reserve*
Share-based payments reserve arises on the grant of performance rights and options to the Chair, management, and the Group's corporate advisors. Information relating to options issued and performance rights granted are set out in Note 20.

(ii) *foreign currency translation reserve*
The foreign currency translation is used to record exchange differences arising from the translation of the financial statement of a foreign subsidiary. The movement arises from the translation of foreign subsidiary and the opening balance of equity.

Notes to the Financial Statements continued

Note 20. Share-based Payments

Share options

During the 2022 financial year, pursuant to the CV Check Ltd Employee Incentive Option Plan, which was approved by shareholders on 30 January 2019, the Company issued a total of 2,172,160 unlisted options to senior executives. These options are subject to vesting conditions and performance criteria.

Performance rights

During the 2022 financial year the Company granted:

- 6,000,000 Performance Rights to Directors, as approved by shareholders at the Annual General Meeting on 29 November 2021. The Performance Rights are subject to vesting conditions and performance criteria; and

Performance shares

During the 2022 financial year the Company granted:

- subject to the Company meeting various performance criteria, up to a maximum of 6,000,000 Performance Shares may become available to Michael Ivanchenko as part of his appointment as Chief Executive Officer, as announced on 4 August 2021. The issue of any Performance Shares may also be subject to any shareholder approval or regulators if required.

a) Summary of share options and performance rights granted during the year:

Issue of Share Options	Grant Date	Number of Options	Vesting Conditions
Employee Incentive Option Plan – Employee ZEPOs	8/12/2021	1,875,864	Unlisted options exercisable at $0 each on or before 17 December 2023. Options are subject to vesting conditions and performance criteria being total revenue, percentage of SaaS license fees as proportion of total revenue, and continued tenure as an employee for a period of 12 months from date of issue of the options.
Directors – Performance Rights	29/11/2021	6,000,000	Performance Rights exercisable at $0 each on or before 17 December 2023 and are subject to vesting conditions and performance criteria being share price, admittance to the S&P/ASX Technology Index and continued tenure as a Director for a period of 12 months from date of issue of the Performance Rights.
Chief Executive Officer – Performance Shares	08/08/2021	6,000,000	Target 1 – Share price of $0.25 for three (3) consecutive months between Commencement Date and 30 June 2022. The share price hurdle is based on a market capitalization of $107 million with the current number of shares on issue. If Target 1 is achieved, then the CEO will be entitled to earn 2,000,000 ZPPS on the Reward Date. If Target 1 is not achieved, then the Bonus Pool for Target 2 or Target 3 will be increased by 1,000,000 ZPPS. Target 2 – Share price of $0.40 for three (3) consecutive months during the financial year ended on 30 June 2023. The Bonus Pool for this Target is 2,000,000 ZPPS, plus any increase from Target 1, if that has not already been achieved. If Target 2 is not achieved, then the Bonus Pool for Target 3 will be increased by 1,000,000 ZPPS. Target 3 – Share price of $0.60 for three (3) consecutive months during the financial year ended on 30 June 2024. The share price hurdle is based on a market capitalization of $258 million with the current number of shares on issue. The Bonus Pool for this Target is 2,000,000 ZPPS, plus any increase from Target 1 or Target 2, if either or both of those Targets have not already been achieved.
Employee Incentive Option Plan – Employee ZEPOs	25/01/2022	296,296	Unlisted options exercisable at $0 each on or before 25 January 2024. Options are subject to vesting conditions and performance criteria being total revenue, percentage of SaaS license fees as proportion of total revenue, and continued tenure as an employee for a period of 12 months from date of issue of the options.

Notes to the Financial Statements continued

Note 20. Share-based Payments continued

b) Movement of share options and performance rights during the year:

Share Option

	Consolidated 30 June 2022		Consolidated 30 June 2021	
	No.	$	No.	$
Outstanding at the start of the year	**25,351,078**	**1,083,585**	**14,154,600**	**255,933**
Granted during the year	2,172,160	n/a	14,601,078	n/a
Expense recognised during the year	n/a	329,521	n/a	870,645
Exercised during the year	(5,716,420)	(733,079)	-	-
Expired during the year	(14,619,858)	(242,121)	(3,404,600)	(42,993)
Outstanding at the end of the year	**7,186,960**	**437,906**	**25,351,078**	**1,083,585**

Performance rights

	Consolidated 30 June 2022		Consolidated 30 June 2021	
	No.	$	No.	$
Outstanding at the start of the year	-	-	-	-
Granted during the year	6,000,000	**171,742**	-	-
Outstanding at the end of the year	**6,000,000**	**171,742**	-	-

Performance shares

	Consolidated 30 June 2022		Consolidated 30 June 2021	
	No.	$	No.	$
Outstanding at the start of the year	-	-	-	-
Granted during the year*	6,000,000	**201,216**	-	-
Outstanding at the end of the year	**6,000,000**	**201,216**	-	-

* Michael Ivanchenko's performance shares have been granted but not issued as at the 30 June 2022.

Notes to the Financial Statements continued

Note 20. Share-based Payments continued

c) Share options and performance rights pricing models

The fair value of the share options and performance rights granted under their respective plans are estimated at the grant date.

The following tables list the inputs to the models.

Share Option

Grant Date	Expiry Date	Number	Share Price At Grant Date Cents Per Share	Exercise Price Cents Per Share	Expected Volatility	Dividend Yield	Risk Free Interest Rate	Fair Value At Grant Date Cents Per Share
30 June 2022								
8-Dec-21	8-Dec-23	1,875,864	15.0	-	80.0%	-	0.55%	5.2
25-Jan-22	25-Jan-24	296,296	12.5	-	88.4%	-	1.12%	8.7
30 June 2021								
18-Aug-20	27-Aug-22	524,491	8.8	-	91.2%	-	0.25%	8.7
7-Oct-20	28-Oct-22	5,899,444	15.0	-	94.5%	-	0.14%	15.0
4-Nov-20	4-Nov-22	819,000	16.0	-	95.0%	-	0.10%	16.0
4-Nov-20	4-Nov-22	109,200	16.0	-	95.0%	-	0.10%	15.7
4-Nov-20	4-Nov-22	109,200	16.0	-	95.0%	-	0.10%	13.6
4-Nov-20	4-Nov-22	147,420	16.0	-	95.0%	-	0.10%	10.9
4-Nov-20	4-Nov-22	180,180	16.0	-	95.0%	-	0.10%	8.7
5-Nov-20	11-Nov-22	557,143	15.0	-	95.1%	-	0.10%	15.0
4-Nov-20	4-May-23	1,053,000	16.0	22.2	95.0%	-	0.12%	7.6
4-Nov-20	4-May-23	140,400	16.0	22.2	95.0%	-	0.12%	6.5
4-Nov-20	4-May-23	140,400	16.0	22.2	95.0%	-	0.12%	6.1
4-Nov-20	4-May-23	189,540	16.0	22.2	95.0%	-	0.12%	5.4
4-Nov-20	4-May-23	231,660	16.0	22.2	95.0%	-	0.12%	4.5
18-Feb-21	18-Feb-24	4,500,000	17.0	37.1	90.0%	-	0.12%	6.7

Performance rights

Grant Date	Expiry Date	Number	Share Price At Grant Date Cents Per Share	Exercise Price Cents Per Share	Expected Volatility	Dividend Yield	Risk Free Interest Rate	Fair Value At Grant Date Cents Per Share
30 June 2022								
29-Nov-21	29-Nov-23	6,000,000	14.5	-	80.0%	-	0.52%	9.8

Notes to the Financial Statements continued

Note 20. Share-based Payments continued

Performance shares

Grant Date	Expiry Date	Number	Share Price At Grant Date Cents Per Share	Exercise Price Cents Per Share	Expected Volatility	Dividend Yield	Risk Free Interest Rate	Fair Value At Grant Date Cents Per Share
30 June 2022								
08-Aug-21	30-Sep-24	2,000,000*	16.0	-	80.0%	-	0.17%	5.3
08-Aug-21	30-Sep-24	2,000,000*	16.0	-	80.0%	-	0.17%	6.0
08-Aug-21	30-Sep-24	2,000,000*	16.0	-	80.0%	-	0.17%	6.3

* Michael Ivanchenko's performance shares have been granted but not issued as at the 30 June 2022.

Note 21. Accumulated Losses

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Balance at beginning of the year	(22,066,130)	(21,100,982)
Loss after income tax for the year	(1,503,267)	(1,008,141)
Reclassification between reserves	242,121	42,993
Balance at the end of the year	**(23,327,276)**	**(22,066,130)**

Note 22. Controlled Entities

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiary in accordance with the Group's accounting policy described in Note 2.

Name of Entity	Country of Incorporation	Class of Shares	Equity Holding	
			30 June 2022	30 June 2021
			%	%
CV Check (NZ) Ltd	New Zealand	Ordinary	100%	100%
Credentials Management Information Systems Pty Ltd	Australia	Ordinary	100%	100%
CI6 Pty Ltd	Australia	Ordinary	100%	100%
Bright People Technologies Pty Ltd	Australia	Ordinary	100%	100%
FIFO 360 Pty Ltd	Australia	Ordinary	100%	100%

Notes to the Financial Statements continued

Note 23. Business Combinations

On 6 April 2021, the Group acquired 100% of the issued capital of CI6 Pty Ltd, an entity that owns 100% of Bright People Technologies and associated group entities ('BPT'). The acquisition has increased the Group's market share in the global screening and verification space and complements the Group's existing market offering.

The acquired business contributed revenues of $1,405,611 and net profit of $180,574 to the Group for the period 6 April to 30 June 2021. If the acquisition had occurred on 1 July 2020, consolidated pro-forma revenue and loss for the year ended 30 June 2021 would have been $21,601,574 and $970,413 respectively. The values identified in relation to the acquisition of BPT are final as at 30 June 2021.

Details of the acquisition are as follows:	$
Cash and cash equivalents	58,410
Trade and other receivables	980,167
Prepayments and other current assets	22,501
Plant and equipment	47,908
Software	7,381,000
Customer contracts	1,001,000
Customer relationships	1,730,000
Total Assets:	**11,220,986**
Trade and other payables	(519,058)
Bank and shareholder loans	(1,782,068)
Lease liability	(138,695)
Contract liabilities	(103,938)
Employee benefits	(1,104,924)
Total Liabilities:	**(3,648,683)**
Net assets Acquired	**7,572,303**
Less cash and cash equivalents acquired	(58,410)
Goodwill	3,310,065
Acquisition-date fair value of the total consideration transferred:	**10,823,958**

Details of the acquisition are as follows:	$
Deferred cash payable to vendor[1]	(663,390)
Shares issued to vendor[2]	(10,218,978)
Net cash on the acquisition of BPT on acquisition date	**(58,410)**

[1] Deferred payment of $663,390 was paid in in February 2022

[2] 72,992,701 consideration shares were issued to vendors on 6 April 2021. The share price on the acquisition date was 14 cents per share which has been used to determine the fair value of the share consideration for acquisition purposes.

Acquisition related costs expensed to profit or loss 733,082

The fair value of trade receivables is $977,341. The gross contractual amount for trade receivables due is $977,341, of which the total amount has been collected in financial year 30 June 2022.

Notes to the Financial Statements continued

Note 24. Segment Reporting

Primary Reporting Format - Business Segments

The Group is organised into two operating segments based on geographical locations consisting of Australia and New Zealand.

Identification of reportable operating segments

The operating segments are identified based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Performance is measured based on segment operating profit. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

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

Types of products and services

Both the Australian and New Zealand segments' principal products are the provision of screening and verification services and the provision of SaaS-based workforce management and compliance technology systems.

Intersegment Transactions

Intersegment transactions were made at market rates. The Australian operating segment purchases certain verification and screening products and recharges them to the New Zealand business at market price. Intersegment transactions are eliminated on consolidation.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans are eliminated on consolidation.

Major customers

The Group has no material reliance on a specific customer.

	Australia	New Zealand	Elimination	Total
	$	$	$	$
For the year ended 30 June 2022				
Revenue	**23,306,855**	**3,064,722**	**-**	**26,371,577**
EBITDA	**64,877**	**1,043,104**	**-**	**1,107,981**
Depreciation and amortisation	(2,346,657)	(52,645)	-	(2,399,302)
Interest income	54,464	69	-	54,533
Interest expense	(31,770)	(3,778)	-	(35,548)
Other non-operating (expense) / income	(44,055)	56	-	(43,999)
(Loss) / profit before income tax	**(2,303,141)**	**986,806**	**-**	**(1,316,335)**
Income tax benefit / (expense)	(62,550)	(124,382)	-	(186,932)
(Loss) / profit after income tax	**(2,365,691)**	**862,424**	**-**	**(1,503,267)**
30 June 2022				
Assets				
Segment assets	67,602,522	1,600,506	(35,547,830)	33,655,198
Total assets	**67,602,522**	**1,600,506**	**(35,547,830)**	**33,655,198**
30 June 2022				
Liabilities				
Segment liabilities	42,548,019	573,677	(34,834,901)	8,286,795
Total liabilities	**42,548,019**	**573,677**	**(34,834,901)**	**8,286,795**

Notes to the Financial Statements continued

Note 24. Segment Reporting continued

	Australia	New Zealand	Elimination	Total
	$	$		$
For the year ended 30 June 2021				
Revenue	**14,984,259**	**2,492,825**	**-**	**17,477,084**
EBITDA	**(468,944)**	**535,817**	**175,265**	**242,138**
Depreciation and amortisation	(1,242,968)	(70,027)	-	(1,312,995)
Interest income	129,395	89	(80,219)	49,265
Interest expense	(18,480)	(84,978)	80,219	(23,239)
Other non-operating income	300,096	-	(300,096)	-
(Loss) / profit before income tax	**(1,300,901)**	**380,901**	**(124,831)**	**(1,044,831)**
Income tax benefit / (expense)	155,720	(119,030)	-	36,690
(Loss) / profit after income tax	**(1,145,181)**	**261,871**	**(124,831)**	**(1,008,141)**
30 June 2021				
Assets				
Segment assets	61,395,366	2,305,331	(31,193,148)	32,507,549
Total assets	**61,395,366**	**2,305,331**	**(31,193,148)**	**32,507,549**
30 June 2021				
Liabilities				
Segment liabilities	33,646,406	2,025,766	(29,374,236)	6,297,936
Total liabilities	**33,646,406**	**2,025,766**	**(29,374,236)**	**6,297,936**

Note 25. Cashflow Information

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Net loss for the year after income tax	**(1,503,267)**	**(1,008,141)**
Non-cash		
Amortisation	2,037,758	979,223
Depreciation	361,544	333,772
Share based payments	702,479	571,049
Unrealised foreign exchange (gain) / loss	(9,811)	22,863
Changes in working capital		
Trade and other receivables	(22,250)	(1,092,873)
Other current assets	257,994	58,785
Trade and other payables	966,425	712,224
Employee benefits	(203,387)	91,096
Contract liabilities	417,129	271,362
Income tax liability	55,651	106,079
Cashflow from operations	**3,060,265**	**1,045,439**

Notes to the Financial Statements continued

Note 26. Parent Entity Disclosures

Information relating to CV Check Limited:	30 June 2022 $	30 June 2021 $
Current assets	12,371,538	28,888,250
Total assets	31,488,551	30,511,203
Current liabilities	4,930,182	4,424,079
Total liabilities	6,325,656	4,424,079
Issued capital	47,941,406	47,193,068
Reserves	810,599	1,083,068
Accumulated losses	(23,589,110)	(22,189,529)
Total shareholders' equity	25,162,895	26,086,607
Loss of the parent entity	(1,399,581)	(1,050,931)
Total comprehensive loss of the parent entity	(1,399,581)	(1,050,931)

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2022 and 30 June 2021.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 1, except for the following:

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

Note 27. Commitments and Contingencies

Commitments

Leases relate to office premises with lease terms not exceeding 5 years are recognised as a right of use asset and lease liability, see Notes 13 and 16.

Contingent assets

There are no contingent assets as of 30 June 2022 (2021: NIL).

Contingent liabilities

There Group has given bank guarantees as at 30 June 2022 of $320,000 (2021: NIL) to various landlords.

Notes to the Financial Statements continued

Note 28. Related Party Transactions

Parent entity

CV Check Limited is the parent entity.

Subsidiary

Interests in subsidiary are set out in Note 22.

Key Management Personnel

Disclosures relating to Key Management Personnel are set out in Note 7 and the Remuneration Report included in the Directors' Report. Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties

The Group made contractual payments amounting to $85,000 (2021: $35,000) to Wavescope Investments Pty Ltd, a related party of Jon Birman, in relation to the leased premises at 35 Oxford Close, West Leederville. There are no outstanding balances owing to and from Wavescope Investments Pty Ltd as at 30 June 2022.

Loan to Directors and their related parties

No loans have been made to any Director or any of their related parties, during the year (2021: Nil). There were no further transactions with Directors including their related parties, not disclosed above.

Terms and conditions

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

Note 29. Financial Risk Management Objectives and Policies

Financial Instruments

The Group's financial instruments consist of cash and cash equivalents, trade and other receivables, trade and other payables and lease liability. The carrying amounts of financial instruments reflect their fair value:

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Cash and cash equivalents	12,197,837	12,905,805
Trade and other receivables	2,804,884	2,956,765
Trade and other payables	3,924,460	3,763,371
Lease liabilities	1,749,401	217,810

Notes to the Financial Statements continued

Note 29. Financial Risk Management Objectives and Policies continued

Risk Management Policy

The Board is responsible for overseeing the establishment and implementation of the risk management system, and reviews and assesses the effectiveness of the implementation of that system on a regular basis. The Board is assisted by the Audit & Risk Committee which also regularly reviews the Group's risks, effectiveness of risk mitigation steps and processes and provides recommendations to the Board.

The Board and Senior Management identify the general areas of risk and their impact on the activities of the Group, with Management performing a regular review of:

- the major risks that occur within the business;
- the degree of risk involved;
- the current approach to managing the risk; and
- if appropriate, determine:
    - any inadequacies of the current approach; and
    - possible new approaches that more efficiently and effectively address the risk.

Management report risks identified to the Board and CEO through their reports and to the CEO at relevant management meetings.

The Group seeks to ensure that its exposure to undue risk which is likely to impact its financial performance, continued growth and survival is minimised in a cost-effective manner.

Significant Accounting Policy

Details of significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 to the financial statements.

The carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables and financial liabilities represents their fair values determined in accordance with their accounting policies.

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

In order to maintain or achieve an optimal capital structure, the Group may issue new shares or reduce its capital, subject to the provisions of the Group's constitution. The capital structure of the Group consists of equity attributed to equity holders of the Group, comprising contributed equity, reserves and accumulated losses disclosed in Notes 19,20 and 21.

By monitoring undiscounted cash flow forecasts and actual cash flows provided to the Board by Management, the Board monitors the need to raise additional equity from the equity markets.

Taking account of the Group's current stage of development and the inherent business risks therein, the Board considers it inappropriate to add financial risk by introducing material levels of debt into the capital structure.

Notes to the Financial Statements continued

Note 29. Financial Risk Management Objectives and Policies continued

Financial Risk Management

The key financial risks the Group is exposed to through its operations are interest rate risk, foreign exchange risk, credit risk and liquidity risk.

Interest Rate Risk

The Group is exposed to interest rate risks via the cash and cash equivalents that it holds. Interest rate risk is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates. The objective of managing interest rate risk is to minimise the Group's exposure to fluctuations in interest rate that might impact its interest revenue and cash flow.

The Group has a bias to ensuring high availability of liquidity to ensure underlying business opportunities are maximised. Term deposits may be utilised from time to time to enhance interest returns over at call bank accounts; the Group's cash flow forecast forms the key consideration to the term adopted.

Interest rate risk is considered when managing Group funds. The Group considers the interest rate received by retaining cash and cash equivalents in the Group's operating account compared to placing funds into a term deposit; in recent times interest rates available to the Group for at call or near call accounts have been more attractive than those available in the term deposit market.

The Group's exposure to interest rate risk and the weighted average interest rates on the Group's financial assets and financial liabilities is as follows:

	WAVG Interest rate	30 June 2022	WAVG Interest rate	30 June 2021
	%	$	%	$
Cash and cash equivalents	0.225%	12,197,837	0.562%	12,905,805

There has been no material change to the Group's exposure to interest rate risk or the manner in which it manages and measures its risk in the year ended 30 June 2022.

Interest Rate Sensitivity

The sensitivity analysis in the following table illustrates the impact of 100 basis points in variable interest rate, with all other variables held constant, and would have resulted in an increase/(decrease) in the Group's loss before tax as follows:

	30 June 2022	30 June 2021
	$	$
100bp increase	121,978	129,058
100bp decrease	(121,978)	(129,058)

Foreign Currency Risk

The Group is exposed to foreign currency risk via the trade and other receivables and trade and other payables that it holds. Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Group does not have a policy to hedge overseas payments or receivables as they are highly variable in amount and timing. To date the annual total value of transactions subject to foreign currency risk has been immaterial and is monitored with monthly reporting cycles.

The following financial assets and liabilities are subject to foreign currency risk:

	Consolidated	
	30 June 2022	30 June 2021
	$	$
Trade receivables (AUD/NZD)	391,195	364,137
Trade payables (AUD/GBP)	18,339	6,934
Trade payables (AUD/USD)	43,813	27,748
Trade payables (AUD/NZD)	62,348	47

Foreign currency risk is measured by regular review of cash forecasts, monitoring the dollar amount and currencies that payments are anticipated to be paid in. The Group also considers the market fluctuations in relevant currencies to determine the level of exposure. If the level of exposure is considered by Management to be too high, then Management has authority to take steps to reduce the risk.

Notes to the Financial Statements continued

Note 29. Financial Risk Management Objectives and Policies continued

Steps to reduce risk may include the acquisition of foreign currency ahead of the anticipated due date of an invoice, or may include negotiations with suppliers to make payment in our functional currency, or may include holding receipted foreign currency funds in a foreign currency denominated bank account to make future payments denominated in that same currency. Should Management determine that the Group consider taking out a hedge to reduce the foreign currency risk, they would need to seek Board approval.

The Group conducts activities outside of Australia that expose it to transactional currency movements, where the Group is required to pay in a currency other than its functional currency.

There has been no change in the manner the Group manages and measures its risk in the year ended 30 June 2022.

Credit Risk

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

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

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

The Group has analysed its trade and other receivables below:

	0-30 days	31-60 days	61-90 days	90+ days
	$	$	$	$
FY22 Trade and Other Receivables	2,384,557	99,004	78,836	242,487
FY21 Trade and Other Receivables	1,874,384	360,580	317,502	404,299

Liquidity Risk

The Group is exposed to liquidity risk via its trade and other payables.

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet the commitments associated with its financial instruments. Responsibility for liquidity risk rests with the Board who manage liquidity risk by monitoring undiscounted cash flow forecasts and actual cash flows provided to them by the Group's Management at Board meetings to ensure that the Group continues to be able to meet its debts as and when they fall due

Contracts are not entered into unless the Board believes that there is sufficient cash flow to fund the additional activity. The Board considers when reviewing its undiscounted cash flow forecasts whether the Group needs to raise additional funding from the equity markets.

The Group has analysed its trade and other payables below:

	0-30 days	31-60 days	61-90 days	90+ days
	$	$	$	$
FY22 Trade and Other Payables	3,924,460	-	-	-
FY21 Trade and Other Payables	3,008,307	66,065	1,925	687,074

There is no material risk on fair values as trade and other payables are assumed to approximate their fair values due to their short-term nature

Note 30. Events after the Reporting Date

Post balance date, the Company announced it is undertaking an on-market share buyback of ordinary shares. The Company intends to allocate up to $2m of existing cash reserves to the Share Buyback.

Other than the above, there are currently no matters or circumstances that have arisen since the end of the financial period that have significantly affected or may significantly affect the operations of the Group, the results of those operations, or the affairs of the Group in the future financial years.

Directors' Declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors

Ivan Gustavino

Non-Executive Chairman
24 August 2022

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
CV CHECK LTD

Opinion

We have audited the financial report of CV Check Ltd (Company) and its subsidiaries (Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended; and

(ii) Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for opinion

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

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

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

Key audit matters

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

Key audit matter	How our audit addressed this matter
Impairment of goodwill - refer to Note 14 in the financial statements	
The Group has goodwill of $4,669,730 relating to its acquisitions of subsidiaries in prior year. Management performs an annual impairment test on the recoverability of goodwill as required by Australian Accounting Standards. We focused on this area as a key audit matter due to the size of the goodwill balance, the requirement to test goodwill annually for impairment and because the directors' assessment of the "value in use" of the cash generating unit ("CGU") involves significant management judgement about the identification of each CGU, the future underlying cash flows of the business and the discount rates applied.	Our audit procedures included: • Evaluating management's determination of allocating goodwill to each CGU in accordance with Australian Accounting Standards, based on the nature of the Group's business and the way results are monitored and reported; • Assessing the valuation methodology used to determine the recoverable amount of goodwill; • Challenging the reasonableness of key assumptions, including the cash flow projections, expected revenue growth rates, the discount rates and sensitivities used; • Assessing management's sensitivity analysis over the key assumptions used in the model; • Checking the mathematical accuracy of the value in use model and reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets; and • Assessing the appropriateness of disclosures in the financial statements to ensure compliance with Australian Accounting Standards.

Key audit matter	How our audit addressed this matter
Revenue recognition - refer to Note 4 in the financial statements	
The Group earns revenue by providing screening and verification services and software as a service ('SAAS') based workforce management and compliance technology systems. Revenue was considered a key audit matter because it is the most significant account balance in the consolidated statement of profit or loss and other comprehensive income and the process of revenue recognition is complex due to multiple revenue streams for services or products rendered. Furthermore, the revenue transactions are high volume and of low value. The revenue recognition of each revenue stream is subject to management judgements. These include: • Determining the appropriate accounting policy in relation to each revenue stream; and • Determining the revenue recognised is for an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer.	Our audit procedures included: • Obtaining a detailed understanding of each of the revenue streams and the process for calculating and recording revenue; • Performing tests of controls or substantive testing on each revenue stream on a sample basis to supporting documentation; • Testing the deferred revenue calculation for revenue received in advance by assessing the extent to which performance obligations have not been met at year end; • On a sample basis, testing revenue transactions before and after year-end to ensure that revenue is recognised in the correct financial period including credit notes issued subsequent to year end; • Assessing whether the revenue recognition policies comply with Australian Accounting Standards; • Performing substantive analytical procedures on certain revenue streams by establishing an independent expectation of revenue and comparing revenue recognised and investigating any exceptions; and • Assessing the appropriateness of disclosures in the financial statements to ensure compliance with Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of CV Check Ltd, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

RSM

RSM AUSTRALIA PARTNERS

Perth, WA
Dated: 24 August 2022

AIK KONG TING
Partner

Shareholder and Other Information

The following details of shareholders of CV Check Limited have been taken from the Share Register on 15 August 2022.

Number of Holders of Equity Securities Ordinary Share Capital

361,239,669 fully paid Ordinary Shares are held by 1,279 individual shareholders.

72,992,701 fully paid Ordinary Shares held in Escrow until 31 December 2022.

Voting Rights

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

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

Unquoted Securities

	Number on issue	Number of holders
Options with a zero exercise price and expiring 17 December 2023	1,875,984	4
Options with a zero exercise price and expiring 28 January 2024	296,296	1
Options with an exercise price of 22.2 cents and expiring 11 May 2023	514,800	1
Options with an exercise price of 37.1 cents and expiring 18 February 2024	4,500,000	3
Performance rights expiring 17 December 2023	6,000,000	4

Distribution of Equitable Securities

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

	Number of holders of ordinary shares	Total units	%
1 to 1,000	16	1,704	0.00%
1,001 to 5,000	83	375,476	0.09%
5,001 to 10,000	224	1,803,246	0.42%
10,001 to 100,000	624	24,173,623	5.57%
100,001 and over	334	407,878,321	93.93%
Total	**1,281**	**434,232,370**	**100.00%**
Holding less than a marketable parcel	**29**	**41,155**	

Shareholder and Other Information continued

Equity security holders

Twenty largest quoted equity security holders

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

	Number of Ordinary Shares Held	% of Ordinary Shares
NATIONAL NOMINEES LIMITED	53,712,893	12.37%
BEV AND STEVE CAROLAN	47,284,043	10.89%
JON BIRMAN	22,197,811	5.11%
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	15,656,215	3.61%
DECLAN STEPHEN HOARE <CARBON 1 A/C>	14,598,540	3.36%
PETRA JANE NELSON <CARBON 1 A/C>	14,598,540	3.36%
RODNEY AND GAYNOR SHERWOOD	13,909,170	3.20%
WEST PORT MANAGEMENT PTY LTD <CALLAHAN FAMILY A/C>	10,948,905	2.52%
JOHN RAYMOND SHAW <JSA A/C>	10,948,905	2.52%
CS THIRD NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 13 A/C>	9,484,768	2.18%
STEPHENS FAMILY	9,150,000	2.11%
MR NEAL PHILLIP CONLIFFE & MS ALISON MARGARET CONLIFFE <METROGUARD SUPER FUND A/C>	7,222,002	1.66%
MYERS FAMILY	6,778,314	1.56%
MICHAEL & JUDITH STEWART	6,479,856	1.49%
ALAN AND KERRIE PEARLMAN	5,751,010	1.32%
DICK HILL	5,031,065	1.16%
CHARLES STEWART	4,669,577	1.08%
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,390,886	1.01%
RUTH ROSS	3,867,670	0.89%
ANIKET MAROO	3,802,800	0.88%
Total	**270,482,970**	**62.29%**
Total issued capital - selected security class(es)	**434,232,370**	**100.00%**

Shareholder and Other Information continued

Substantial holders

Substantial holders in the company are set out below:

	Ordinary Shares	
	Number held	%
National Nominees Ltd	53,712,893	12.37%
Beverley Ruth Carolan	47,284,043	10.89%
Jon Birman	22,197,811	5.11%

Holders of more than 20% Unquoted Equity Securities

Unlisted options

Other than participants in the EIOP, holders of more than 20% classes of unlisted options and performance rights are as follows:

Options with an exercise price of 22.2 cents and expiring 11 May 2023	Options	
	Number held	%
Gaynor Gardiner-Sherwood	514,800	100.00%

Options with an exercise price of 37.1 cents and expiring 18 February 2024	Options	
	Number held	%
Ashanti Capital Pty Ltd	2,250,000	50.00%
GD Equities Pty Ltd	1,125,000	25.00%
Shaw and Partners Limited	1,125,000	25.00%

Performance rights

Performance rights expiring on 17 December 2023	Options	
	Number held	%
Gusfam Pty Ltd <Gusfam a/c>	3,000,000	50.00%