

**Marmalade Group Pty Ltd**  
**ABN 39 637 720 631**  
**and its Controlled Entities**

Annual Financial Report  
30 June 2024

# **Marmalade Group Pty Ltd and its Controlled Entities**

**ABN 39 637 720 631**

## **Annual Financial Report**

### **Contents**

Directors' report	3
Consolidated statement of profit or loss and other comprehensive income	5
Consolidated statement of changes in equity	6
Consolidated statement of financial position	7
Consolidated statement of cash flows	8
Notes to the consolidated financial statements	9
Directors' declaration	23
Independent audit report	24

# Marmalade Group Pty Ltd and its Controlled Entities

ABN 39 637 720 631

## Directors' report

The Directors present their report together with the consolidated financial statements of the Group comprising Marmalade Group Pty Ltd (the "Company"), and its subsidiaries for the financial year ended 30 June 2024.

### Directors

The directors of the Company at any time during or since the end of the financial year are:

Luke Trickett	Executive Director	Appointed 27 November 2019
Richard Anstey	Non Executive Director	Appointed 7 January 2020
Michael Dempsey	Non Executive Director	Appointed 5 March 2020
Ash Fogelberg	Non Executive Director	Appointed 9 October 2023

### Principal activities

The principal activities of the Group during the financial year were to provide technology driven payments and cashflow solutions to customers.

There were no significant changes in the nature of the activities of the Group during the year.

### Operating and financial review

The consolidated statement of profit or loss and other comprehensive income shows a consolidated net loss for the period of \$4,415,479 compared with \$5,953,696 in 2023.

### Events subsequent to reporting date

#### *Financial statements authorised for issue*

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Group, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group, in future financial years.

### Environmental regulation

The Group's operation is not subject to any significant environmental regulations under either Commonwealth or State legislation.

### Dividends

No dividends were paid or declared by the Company to members since the end of the previous financial year.

### Share-based payments – share options

The Group had the following share options during and at the end of the year.

	Number	Weighted-average exercise price
Outstanding at beginning of period	767,261	\$1.65
Granted during the period	1,797,348	\$1.34
Forfeited during the period	<u>(2,906)</u>	\$1.93
<b>Outstanding at the end of the period</b>	<b><u>2,561,703</u></b>	\$1.43

# **Marmalade Group Pty Ltd and its Controlled Entities**

**ABN 39 637 720 631**

## **Directors' report (continued)**

### **Indemnification and insurance of officers and auditors**

#### ***Indemnification of auditors***

Since the end of the previous financial year, the Company has not indemnified or made a relevant agreement for indemnifying against a liability any person who is or has been an officer or auditor of the Company.

#### ***Insurance premiums***

During the financial year, the Group has paid insurance premiums in respect of directors' and officers' liability and legal expenses insurance contracts for the year ended 30 June 2024, and since the end of the previous financial year, the Group has paid premiums in respect of such insurance contracts for the year ending 30 June 2025. Such insurance contracts insure against certain liability (subject to specific exclusions) of persons who are or have been directors or executive officers of the Company.

The directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability and legal expenses insurance contracts, as such disclosure is prohibited under the terms of the contract.

### **Significant changes in the state of affairs**

Other than the matters and circumstances mentioned above, there have been no further significant changes in the state of the Group's affairs during the financial year.

### **Proceedings on behalf of the Company**

There are no current proceedings on behalf of the Group.

### **Likely developments**

The Group will continue to pursue its current operations.

Further information about likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the Group.

This Directors' report is made in accordance with a resolution of the directors:



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Luke Trickett  
*Director*

Dated: 28-Oct-2024

**Marmalade Group Pty Ltd and its Controlled Entities****ABN 39 637 720 631****Consolidated statement of profit or loss and other comprehensive income****For the year ended 30 June 2024**

	Note	2024 \$	2023 \$
<b>Continuing operations</b>			
Revenue	2	5,546,418	2,963,985
Other Income		30,093	220
Total Revenue		5,576,511	2,964,205
Direct costs		(1,617,146)	(980,138)
Depreciation expense		(16,003)	(33,347)
Employee benefits expense	3	(5,465,782)	(5,779,498)
Other expenses	4	(2,427,847)	(1,475,860)
<b>Loss before finance costs and income taxes</b>		(3,950,267)	(5,304,638)
Finance costs		(465,212)	(649,058)
<b>Net finance costs</b>		(465,212)	(649,058)
<b>Loss before income tax</b>		(4,415,479)	(5,953,696)
Income tax expense	8	-	-
<b>Loss after income tax</b>		(4,415,479)	(5,953,696)
Other comprehensive income for the year		-	-
<b>Total comprehensive loss for the year</b>		(4,415,479)	(5,953,696)

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

# Marmalade Group Pty Ltd and its Controlled Entities

ABN 39 637 720 631

## Consolidated statement of changes in equity

For the year ended 30 June 2024

	Note	Share Capital \$	Retained earnings \$	Reserves \$	Total Equity \$
<b>Balance at 1 July 2022</b>		14,853,073	(9,738,354)	614,364	5,729,083
Net loss for the year		-	(5,953,696)	-	(5,953,696)
<b>Total comprehensive expense for the period</b>		-	(5,953,696)	-	(5,953,696)
<b>Transactions with owners in their capacity as owners</b>					
Equity-settled share-based payments	19	-	-	99,805	99,805
Shares issued during the period	15(ii)	935,000	-	-	935,000
<b>Balance at 30 June 2023</b>		15,788,073	(15,692,050)	714,169	810,192
Net loss for the year		-	(4,415,479)	-	(4,415,479)
Other comprehensive income		-	-	-	-
<b>Total comprehensive income for the period</b>		-	(4,415,479)	-	(4,415,479)
<b>Transactions with owners in their capacity as owners</b>					
Equity-settled share-based payments	20	-	-	137,265	137,265
Shares issued during the period	15(ii)	17,959,555	-	-	17,959,555
<b>Balance at 30 June 2024</b>		33,747,628	(20,107,529)	851,434	14,491,533

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

# Marmalade Group Pty Ltd and its Controlled Entities

ABN 39 637 720 631

## Consolidated statement of financial position

As at 30 June 2024

	Note	2024 \$	2023 \$
<b>Assets</b>			
Cash and cash equivalents	5	9,094,642	2,273,440
Trade and other receivables	6	14,183,317	11,554,983
Other current assets	7	195,351	155,125
<b>Total current assets</b>		23,473,310	13,983,548
Property, plant and equipment	10	10,302	23,773
<b>Total non-current assets</b>		10,302	23,773
<b>Total assets</b>		23,483,612	14,007,321
<b>Liabilities</b>			
Trade and other payables	11	4,195,830	2,457,520
Borrowings	12	109,732	10,474,025
Employee benefits	14	145,309	172,268
<b>Total current liabilities</b>		4,450,871	13,103,813
Borrowings	12	4,500,000	-
Employee benefits	14	41,208	93,316
<b>Total non-current liabilities</b>		4,541,208	93,316
<b>Total liabilities</b>		8,992,079	13,197,129
<b>Net assets</b>		14,491,533	810,192
<b>Equity</b>			
Share capital	15	33,747,628	15,788,073
Reserves	15	851,434	714,169
Accumulated losses		(20,107,529)	(15,692,050)
<b>Total equity</b>		14,491,533	810,192

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

# Marmalade Group Pty Ltd and its Controlled Entities

ABN 39 637 720 631

## Consolidated statement of cash flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
<b>Cash flows from operating activities</b>			
Cash receipts from customers		5,549,120	2,825,841
Net amounts paid for receivables		(2,237,823)	(5,641,181)
Cash paid to suppliers and employees		(8,353,080)	(6,922,231)
Interest paid		(269,230)	-
Income taxes refunded/(paid)		-	-
<b>Net cash from operating activities</b>		<b>(5,311,013)</b>	<b>(9,737,571)</b>
<b>Cash flows from investing activities</b>			
Acquisition of Property, Plant and Equipment		(2,532)	(14,106)
Interest Received		27,391	-
<b>Net cash used in investing activities</b>		<b>24,859</b>	<b>(14,106)</b>
<b>Cash flows from financing activities</b>			
Proceeds from capital raising		3,904,514	935,000
Net proceeds from related party borrowings		3,450,000	9,233,239
Net proceeds from other borrowings		208,077	-
Proceeds from third-party borrowings		4,544,765	64,967
<b>Net cash from financing activities</b>		<b>12,107,356</b>	<b>10,233,206</b>
<b>Net increase in cash and cash equivalents</b>		<b>6,821,202</b>	<b>481,529</b>
Opening cash and cash equivalents		2,273,440	1,791,911
<b>Closing cash and cash equivalents</b>	5	<b>9,094,642</b>	<b>2,273,440</b>

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



# Marmalade Group Pty Ltd and its Controlled Entities

## Notes to the financial statements

### For the year ended 30 June 2024

#### 1.1 Entity

Marmalade Group Pty Ltd (the "Company") is domiciled in Australia. The address of the Company's registered office is Level 2, 1 Breakfast Creek Road, Newstead, Queensland. The consolidated financial statements of the Company as at and for the year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the "Group").

The Group is a for-profit group and its primary activities include providing technology driven payments and cash flow solutions to customers.

#### 1.2 Basis of preparation

These consolidated financial statements are general purpose financial statements for distribution to the Directors. They have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures made by the Australian Accounting Standards Board. In the opinion of the Directors, the Group is not publicly accountable.

The consolidated financial statements were authorised for issue by the Directors on 28 October 2024.

##### (a) *Basis of measurement*

The financial statements have been prepared on the basis of historical cost. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

##### (b) *Functional and presentation currency*

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

##### (c) *Going concern basis of accounting*

The consolidated financial statements have been prepared on a going concern basis, which assumes that the Group will be able to discharge its liabilities as and when they fall due.

The Group recognised a net loss of \$4,415,479 (2023: \$5,953,696) and an outflow of operating cash flows of \$5,311,013 (2023: \$9,737,571) for the year ended 30 June 2024 and, as at that date, current assets exceed current liabilities by \$19,022,439 (2023: \$879,735).

The Group continues to develop its technology and product offering, while at the same time seeking to increase its customer base. The Directors have prepared cash flow forecasts for the period to 31 December 2025, which incorporates these activities and indicates that the Group will have sufficient cash flow to fund its activities and operations. The forecast cash flow will be met using existing cash balances, undrawn finance facilities and cash collections from fee revenue. While cash inflows from fee revenue are inherently uncertain given they are dependent on external factors outside the control of the Directors, the existing cash balances and extent of undrawn external and related party facilities are sufficient to fund its activities and operations.

Having regard to the above factors, the Directors consider that the going concern basis of preparation of the financial statements is appropriate.

##### (d) *Use of estimates and judgements*

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

##### *Assumptions and estimation uncertainty*

Information about assumptions and estimation uncertainties at 30 June 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 1.4(i) – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- Note 1.4(c) – Measurement of expected credit loss allowances for trade receivables and contract assets: determining loss rates;

# Marmalade Group Pty Ltd and its Controlled Entities

## Notes to the financial statements

### For the year ended 30 June 2024

#### 1.2 Basis of preparation (continued)

##### (e) *Changes in material accounting policies*

The following Accounting Standards are effective for the first time when preparing Tier 2 general purpose financial statements for annual reporting periods ending 30 June 2024:

- Amendments to AASB 112 *Income Taxes Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- *Disclosure of Accounting Policies and Definition of Accounting Estimates (Amendments to AASB 7, 101, 108 and AASB Practice Statement 2)*; and
- *Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054 and 1060)*.

The Group applied *Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (Amendments to AASB 1049, 1054 and 1060)* for the first time in the current year. The amendments require entities to disclose their 'material' accounting policies, rather than their 'significant' accounting policies. The impact on the Group's financial statements is insignificant.

The Group does not have any other transactions that are affected by the other newly effective standards and amendments.

#### 1.3 Basis of consolidation

##### (a) *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

##### (b) *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

#### 1.4 Material accounting policies

##### (a) *Property, plant and equipment*

###### (i) *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

###### (ii) *Subsequent expenditure*

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

###### (iii) *Depreciation*

Depreciation is recognised in profit or loss on a straight-line and reducing balance basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation methods, useful lives and residual values are reassessed at the reporting date. The estimated useful lives for the current and comparative periods are as follows:

	Effective life 2024	Effective life 2023
Computer equipment	2-3 years	2-3 years
Office furniture and equipment	2-5 years	2-5 years

# Marmalade Group Pty Ltd and its Controlled Entities

## Notes to the financial statements

### For the year ended 30 June 2024

#### 1.4 Material accounting policies (continued)

##### (b) *Financial instruments*

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets are classified as either financial assets at amortised cost, at fair value through other comprehensive income (FVTOCI) or at fair value through profit or loss (FVTPL) depending upon the business model for managing the financial asset and the nature of the contractual cash flow characteristics of the financial asset. Financial assets are initially recognised at fair value on the trade date, including, in the case of instruments not recorded at fair value through profit or loss, directly attributable transaction costs. Subsequently, other investments and derivatives are carried at fair value, and trade receivables are carried at amortised cost adjusted for any loss allowance.

Financial liabilities are initially recognised at fair value of consideration received net of transaction costs as appropriate and subsequently carried at amortised cost.

##### (c) *Trade and other receivables*

Trade and other receivables are stated initially at their fair value. Where remaining life is greater than one year, fair value is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. Otherwise, the notional amount is deemed to reflect fair value.

The Group measures loss allowances for expected credit losses on trade and other receivables at an amount equal to lifetime expected credit losses. When determining whether the credit risk of a receivable has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available. This includes both quantitative and qualitative information and analysis based on the Group's credit assessment.

###### *Measurement of expected credit losses*

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the Cash flows that the Group expects to receive).

Loss allowances for trade receivables are deducted from the gross carrying amount of the assets.

##### (d) *Cash and cash equivalents*

Cash and cash equivalents comprises of cash balances, and call deposits within maturity of three months or less which are subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

##### (e) *Employee benefits*

###### *(i) Short-term Employee Benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably. The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

###### *(ii) Other Long-Term Employee Benefits*

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

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

# Marmalade Group Pty Ltd and its Controlled Entities

## Notes to the financial statements

### For the year ended 30 June 2024

#### 1.4 Material accounting policies (continued)

##### (f) Trade and other payables

Trade and other payables are stated at fair value. Where remaining life is less than one year, the notional amount is deemed to reflect fair value, otherwise the amount is discounted.

##### (g) Revenue from contracts with customers

The Group generates revenue from providing payments and cash flow solutions to customers in business for a fee. Revenue from services is recognised when the performance obligation has been fulfilled, which is principally at the point when customer payments are facilitated.

Service type	Nature and timing of satisfaction of performance obligation	Revenue recognition policy
Credit card payments fee	Revenue from the receipt of credit card payments for customers is recognised at the time of receipting the payment.	Revenue is recognised at a point in time as the performance obligation is completed.
Fees for cashed in invoices	Revenue from cashed in invoices is recognised at the time the invoice is cashed in by the customer.	Revenue from cashed in invoices is recognised at the time the invoice is approved and paid out to the customer.

##### (h) Finance income and expenses

Finance income comprises interest income on funds invested, gains on the disposal of financial assets, and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Finance expenses comprise interest expense on borrowings, unwinding of the discount on provisions, and impairment losses recognised on financial assets that are recognised in profit or loss. All borrowing costs are recognised in profit or loss using the effective interest method.

##### (i) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

###### (i) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

###### (ii) Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

Deferred tax measured is based at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

###### (iii) Tax consolidation

The company is part of a tax-consolidated group comprising Marmalade Group Pty Ltd and its wholly-owned Australian resident entities. The head entity of the tax-consolidated group is Marmalade Group Pty Ltd.

# Marmalade Group Pty Ltd and its Controlled Entities

## Notes to the financial statements

### For the year ended 30 June 2024

#### 1.4 Material accounting policies (continued)

##### (i) *Income tax (continued)*

###### *(iii) Tax consolidation (continued)*

The current and deferred tax amounts for the tax consolidated group are allocated among the entities in the tax consolidated group using a “separate taxpayer within a tax consolidated group” approach whereby each entity in the tax consolidated group measures its current and deferred taxes as if it is part of the consolidated group. Intercompany transactions are eliminated. Deferred tax assets and deferred tax liabilities are measured by reference to the carrying amounts of the assets and liabilities in the Company’s balance sheet and their tax values applying under tax consolidation.

The Company assesses the recovery of its unused tax losses and tax credits only in the period in which they arise, and before assumption by the head entity, in accordance with AASB 112 applied in its own circumstances without regard to the circumstances of the tax consolidated group.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses assumed by the head entity from the subsidiaries in the tax consolidated group are recognised in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution from or distribution to the head entity. Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

##### (j) *Goods and services tax*

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

##### (k) *Leases*

###### *(i) As a lessee*

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Group also considers if recognition exemptions apply when assessing whether a contract is, or contains, a lease. Where a recognition exemption applies the Group elects for the exemption to apply.

The Group has a right to use office spaces under a combination of arrangements that are for a period of less than 12 months, hot desk arrangements, or a month-to-month licence to occupy. The Group can cancel an arrangement without notice, penalty or a short notice period. In all cases, the Group has elected to apply the recognition exemption for short-term leases. The Group recognises lease payments for the arrangements as an expense on a straight-line basis over the leases’ terms. Modifications to a lease or scope change are treated as a new lease.

##### (l) *Share based payments*

The Group has established share-based payment arrangements for employees that are equity settled.

The Company provides employees of the Group with awards of shares or options over shares in exchange for services. The cost of equity settled transactions are measured at fair value on issue date. Fair value is determined independently through market based valuation techniques.

The cost of equity settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, and weighted average of the number of awards that are likely to vest, less expired or lapsed options. 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.

##### (m) *Comparative Amounts*

Comparatives are consistent with prior years, unless otherwise stated.

# Marmalade Group Pty Ltd and its Controlled Entities

## Notes to the financial statements

### For the year ended 30 June 2024

#### 1.4 Material accounting policies (continued)

##### (n) Rounding

Rounding is performed on all display values to the nearest dollar. Note totals may differ to the items above as totals are rounded independently.

##### (o) Reclassification of prior period amounts

The following amounts have been reclassified in the comparative period, as follows:

Classification in 2024 financial statements	Classification in 2023 financial statements	Amount	Note
Employee benefits expense	Share based payments	99,805	3
Employee benefits expense	Technology platform expenditure	80,133	3
Direct costs	Other expenses	35,800	*
Other income	Revenue	220	*
Trade and other receivables – related party loans	Borrowings – current related party payables	426,761	6, 11

\* Please refer to the Consolidated statement of profit and loss and other comprehensive income, and Consolidated statement of financial position for these amounts.

# Marmalade Group Pty Ltd and its Controlled Entities

## Notes to the financial statements

### For the year ended 30 June 2024

	2024 \$	2023 \$
<b>2 Revenue</b>		
Fees for cashed in invoices	5,473,463	2,917,729
Credit card payment fees	72,955	46,256
	<u>5,546,418</u>	<u>2,963,985</u>
<b>3 Employee benefits expense</b>		
Wages and salaries	4,900,384	5,254,026
Superannuation	428,133	425,667
Share-based payments	137,265	99,805
	<u>5,465,782</u>	<u>5,779,498</u>
<b>4 Other expenses</b>		
Bank and payment fees	48,596	3,897
Subscription and platform fees	558,169	259,334
Marketing	654,331	369,441
Professional fees	530,127	454,454
Insurance	176,386	53,714
Occupancy expenses	a) 163,279	143,530
Other expenses	296,959	191,490
	<u>2,427,847</u>	<u>1,475,860</u>
a) Occupancy expenses include short-term leases of office premises. Refer to note 1.4(k) for further information on the Group's accounting policy for short-term leases under AASB 16 <i>Leases</i> .		
<b>5 Cash and cash equivalents</b>		
Cash at bank	9,094,642	2,273,440
Cash and cash equivalents in the cash flow statement	<u>9,094,642</u>	<u>2,273,440</u>
<b>6 Trade and other receivables</b>		
<b>Current</b>		
Trade receivables	15,987,789	11,856,990
Less: Allowance for expected credit losses	(2,212,367)	(790,222)
Related party loans	218,681	426,761
Other receivables	189,214	61,454
	<u>14,183,317</u>	<u>11,554,983</u>
During the year the Group recognised an increase in allowance for expected credit losses of \$1,422,145 (2023: \$438,842), while a total of \$12,101 was written off as non-recoverable (2023: \$6). These amounts are recognised in direct costs in the consolidated statement of profit and loss and other comprehensive income.		
<b>7 Other assets</b>		
<b>Current</b>		
Prepayments	195,351	155,125
	<u>195,351</u>	<u>155,125</u>

# Marmalade Group Pty Ltd and its Controlled Entities

## Notes to the financial statements

### For the year ended 30 June 2024

#### 8 Income tax expense

##### Numerical reconciliation between tax expense and pre-tax net profit

	2024 \$	2023 \$
Loss before tax	(4,415,479)	(5,953,696)
Total income tax expense	-	-
<b>Profit before tax from continuing operations</b>	<b>(4,415,479)</b>	<b>(5,953,696)</b>
Tax using the Group's domestic tax rate of 25% (2023: 25%)	(1,103,870)	(1,488,424)
Non-deductible expenditure	48,937	30,636
Effect of deferred tax balances not recognised	1,054,933	1,457,788
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

#### 9 Deferred tax assets and liabilities

##### *Unrecognised Deferred Tax Balances*

The following deductible temporary differences, unused tax losses and unused tax credits have not been recognised as deferred tax assets in the consolidated statement of financial position.

	2024 \$	2023 \$
Deductible temporary differences	2,684,767	1,410,459
Tax Losses – Revenue	16,543,405	13,597,983
	<b>19,228,172</b>	<b>15,008,442</b>

All of the above amounts can be carried forward indefinitely, subject to meeting certain criteria of the relevant taxation law.



# Marmalade Group Pty Ltd and its Controlled Entities

## Notes to the financial statements

### For the year ended 30 June 2024

#### 10 Property, plant and equipment

	Plant and equipment \$	Computer equipment \$	Total \$
<b>Reconciliation of carrying amount</b>			
Gross carrying amount	7,561	76,222	83,783
Accumulated depreciation and impairment losses	(690)	(59,320)	(60,010)
<b>Net carrying amount at 1 July 2023</b>	<b>6,871</b>	<b>16,902</b>	<b>23,773</b>
Additions	-	2,532	2,532
Depreciation	(514)	(15,489)	(16,003)
<b>Net Carrying amount at 30 June 2024</b>	<b>6,357</b>	<b>3,945</b>	<b>10,302</b>
<b>Balance at 30 June 2024:</b>			
Gross carrying amount	7,561	75,417	82,978
Accumulated depreciation and impairment losses	(1,204)	(71,472)	(72,676)
<b>Net Carrying amount at 30 June 2024</b>	<b>6,357</b>	<b>3,945</b>	<b>10,302</b>
		<b>2024</b>	<b>2023</b>
		\$	\$

#### 11 Trade and other payables

##### Current

Trade payables	130,281	82,793
Accrued expenses	115,995	140,842
Payroll liabilities	110,509	441,633
Supplier liabilities	3,797,083	1,788,402
Other payables	41,962	3,850
<b>Total Current</b>	<b>4,195,830</b>	<b>2,457,520</b>

#### 12 Loans and borrowings

##### Current

External borrowings	109,732	64,967
Loans from related parties	-	10,409,058
<b>Total current</b>	<b>109,732</b>	<b>10,474,025</b>

##### Non-current

External borrowings	4,500,000	-
<b>Total non-current</b>	<b>4,500,000</b>	<b>-</b>

# Marmalade Group Pty Ltd and its Controlled Entities

## Notes to the financial statements

### For the year ended 30 June 2024

#### 13 Financial instruments

##### A. Terms and repayment schedule of financial liabilities

The terms and conditions of outstanding loans are as follows.

	Currency	Nominal Interest Rate	Year of maturity	2024 Carrying amount	2023 Carrying amount
External debt	AUD	15%	2027	4,500,000	-
Related party loans	AUD	16%	2024	-	10,409,058
Insurance funding	AUD	17%	2025	109,732	64,967
<b>Total interest-bearing liabilities</b>				<b>4,609,732</b>	<b>10,474,025</b>

The Group has a loan facility with Blue Stamp Company Pty Ltd as trustee for the Blue Stamp Trust of \$1 million, which was undrawn at year end. The Group has a loan facility of \$20 million with Rixon Income Fund, of which \$4.5m had been drawn as at 30 June 2024.

##### B. Accounting classifications

The following table shows the carrying amounts of financial assets and financial liabilities.

Financial assets measured at amortised cost	2024 \$	2023 \$
Trade receivables and other receivables	14,183,317	11,554,983
Cash and cash equivalents	9,094,642	2,273,440
	<u>23,277,959</u>	<u>13,828,423</u>
 Financial liabilities measured at amortised cost		
Trade payables	130,281	82,793
Supplier liabilities	3,797,083	1,788,402
Borrowings	4,609,732	10,474,025
	<u>8,537,096</u>	<u>12,345,220</u>

#### 14 Employee benefits

##### Current

Annual leave	145,309	172,268
	<u>145,309</u>	<u>172,268</u>

##### Non-current

Long-service leave	41,208	93,316
	<u>41,208</u>	<u>93,316</u>

# Marmalade Group Pty Ltd and its Controlled Entities

## Notes to the financial statements

### For the year ended 30 June 2024

#### 15 Equity share capital, reserves and retained earnings

##### A. Issued Capital

In number of shares - Ordinary Shares	2024	2023
In issue at 1 July	19,033,970	16,283,970
Issued during the period	22,449,443	2,750,000
<b>In issue at 30 June</b>	<b>41,483,413</b>	<b>19,033,970</b>

##### i. Ordinary shares

The Company does not have authorised capital or par value in respect of its issued shares. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

##### ii. Issue of ordinary shares

During the year ended 30 June 2024, the Company issued 22,449,443 shares (2023: 2,750,000 shares) at \$0.80 (2023: \$0.34) totalling \$17,959,555 (2023: \$935,000). Of these 4,880,642 were issued for cash of \$3,904,514, and the remaining 17,568,801 were issued in exchange for repayment of related party borrowings of \$14,055,041 (2023: nil).

##### iii. Dividends

No dividends were paid or declared by the Company to members since the end of the previous financial year.

##### B. Reserves

	2024	2023
	\$	\$
Share -based payments reserve	851,434	714,169
<b>Total reserves</b>	<b>851,434</b>	<b>714,169</b>

The share-based payments reserve recognises the cumulative value of employee share options recognised as share-based payments expense in the profit and loss statement as employee benefits expense (refer note 3). Further information regarding share-based payment arrangements are disclosed in note 19.

##### C. Dividend franking account

	2024	2023
	\$	\$
25 per cent franking credits available to shareholders of Marmalade Group Pty Ltd and its subsidiaries for subsequent financial years	-	-

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

- a) franking credits that will arise from the payment of the current tax liabilities;
- b) franking debits that will arise from the payment of dividends recognised as a liability at the year-end;
- c) franking credits that will arise from the receipt of dividends recognised as receivables by the Group at the year-end; and
- d) franking credits that the entity may be prevented from distributing in subsequent years.

The ability to utilise the franking credits is dependent upon the ability to declare dividends.

# Marmalade Group Pty Ltd and its Controlled Entities

## Notes to the financial statements

### For the year ended 30 June 2024

#### 16 Group Entities

	Country of Incorporation	Ownership interest	
		2024	2023
<b>Parent and ultimate controlling party</b>			
The parent and ultimate controlling party of the Group is Apex Fund Services Pty Ltd acting as custodian for the Blue Stamp Trust.			
<b>Parent entity</b>			
Marmalade Group Pty Ltd	Australia		
<b>Significant subsidiaries</b>			
Marmalade Australia Pty Ltd	Australia	100%	100%
Marmalade Payments Pty Ltd	Australia	100%	100%
Marmalade Holdco Pty Ltd	Australia	100%	100%

#### 17 Related parties

##### A. Transactions with key management personnel compensation

	2024	2023
	\$	\$
Total key management personnel compensation	981,383	798,518

##### B. Transactions with related parties

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

		Revenue / (expense) for year ended 30 June		Balance receivable / (payable) as at 30 June	
	<i>Note</i>	2024	2023	2024	2023
<b>Entities with control over the Group</b>					
Loan payable	(a)	-	-	-	(8,368,185)
Interest and loan fees		(179,024)	(548,185)	-	-
<b>Other related parties</b>					
Loan payable	(b)	-	-	-	(2,040,873)
Interest and loan fees		(148,107)	(100,873)	-	-
Loan receivable	(c)	-	-	218,681	426,761

- The loan from Blue Stamp Company Pty Ltd as trustee for the Blue Stamp Trust has been repaid during the year through the issue of ordinary class shares in the Company. Shares were issued at market value which were independently valued. The loan was unsecured and incurred interest at 16% per annum.
- Loans from shareholders were repaid during the year through the issue of ordinary class shares. Shares were issued at market value which were independently valued. The loans were unsecured.
- Loans to shareholders are repayable at call and are interest free.
- The Group has a loan facility with Blue Stamp Company Pty Ltd as trustee for the Blue Stamp Trust of \$1 million, which was undrawn at year end.

# Marmalade Group Pty Ltd and its Controlled Entities

## Notes to the financial statements

### For the year ended 30 June 2024

#### 18 Auditors' remuneration

Auditors of the Group	2024	2023
<b>Audit services</b>		
Audit of financial report - KPMG	57,500	-
Audit of financial report – BDO Audit Pty Ltd	-	49,500
	<u>57,500</u>	<u>49,500</u>
<b>Other services</b>		
Preparation of financial statements and income tax return - KPMG	13,000	-
Preparation of financial statements and income tax return – BDO Services Pty Ltd	-	13,850
	<u>13,000</u>	<u>13,850</u>

#### 19 Share-based payments – share options

A share option plan has been established by the consolidated entity and approved by shareholders at a general meeting, whereby the consolidated entity may, at the discretion of the Board, grant options over ordinary shares in the company to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

The share option expense recognised during the financial year as a component of employee benefits expense was \$137,265 (2023: \$99,805).

Set out below are summaries of options granted under the plan:

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted	Exercised	Expired / forfeited / cancelled	Balance at the end of the year
June 2020	June 2025	1.00	200,000	-	-	-	200,000
October 2020	October 2025	1.67	106,529	-	-	-	106,529
June 2021	June 2026	1.93	26,802	-	-	-	26,802
July 2021	July 2026	1.93	176,475	-	-	(2,906)	173,569
July 2022	July 2027	1.93	257,455	-	-	-	257,455
December 2023	December 2028	1.34	-	417,923	-	-	417,923
May 2024	May 2029	1.34	-	713,391	-	-	713,391
June 2024	June 2029	1.34	-	666,034	-	-	666,034
			<u>767,261</u>	<u>1,797,348</u>	<u>-</u>	<u>(2,906)</u>	<u>2,561,703</u>

For the options granted during the current financial year, a binomial option pricing model was used to determine the valuation at grant date. The valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant Date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
December 2023	December 2028	0.8	1.34	85%	-	3.74% - 4.06%	0.4800 - 0.4823
May 2024	May 2029	0.8	1.34	85%	-	4.00% - 4.13%	0.4819 - 0.4828
June 2024	June 2029	0.8	1.34	85%	-	3.04% - 4.17%	0.4815 - 0.4831

# **Marmalade Group Pty Ltd and its Controlled Entities**

## **Notes to the financial statements**

### **For the year ended 30 June 2024**

#### **19 Share-based payments – share options (continued)**

The Company issues share options subject to various vesting conditions. Each award of share options contains vesting conditions which may comprise one or more of:

- Vesting conditions based on service conditions (up to 3 years);
- Vesting conditions based on total payment volume; and/or
- Vesting conditions based on achievement of a specified ordinary share equity valuation.

#### **20 Subsequent event**

There have been no events subsequent to balance date which would have a material effect on the Group's financial statements as at 30 June 2024.

#### **21 Contingent liabilities**

The Group had no contingent liabilities as at 30 June 2024 (2023: nil).

# Marmalade Group Pty Ltd and its Controlled Entities

## Directors' declaration

### For the year ended 30 June 2024

In the opinion of the Directors of Marmalade Group Pty Ltd (the "Company"):

- (a) The Company is not publicly accountable, nor a reporting entity;
- (b) The consolidated financial statements and notes set out on pages 5 to 22:
  - (i) present fairly the Group's financial position as at 30 June 2024, and its performance for the financial year ended on that date; and
  - (ii) comply with Australian Accounting Standards – Simplified Disclosures.
- (c) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

In respect of the year ended 30 June 2024, the Group has:

- a) Kept such accounting records as to correctly record and explain its transactions and financial position;
- b) Kept its accounting records so that a true and fair financial report of the Group can be prepared from time to time; and
- c) Kept its accounting records so that the financial report of the Group can be conveniently and property audited or reviewed in accordance with the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors.



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Luke Trickett  
Director  
Dated: 28-Oct-2024



# Independent Auditor's Report

To the Shareholders of Marmalade Group Pty Ltd

## Opinion

We have audited the **Financial Statements** of Marmalade Group Pty Ltd (the **Group**).

In our opinion, the accompanying Financial Statements presents fairly, in all material respects, the financial position of the **Group** as at 30 June 2024, and of its financial performance for the year then ended, in accordance with *Australian Accounting Standards - Simplified Disclosures*.

The **Financial Statements** comprises:

- Consolidated statement of financial position as at 30 June 2024;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes, including material accounting policies

The **Group** consists of Marmalade Group Pty Ltd (the **Company**) and the entities it controlled at the year end or from time to time during the financial year.

## Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Statements* section of our report.

We are independent of the Group in accordance with the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Statements in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.





### **Restriction on use and distribution**

The Financial Statements have been prepared to assist the Directors of the Group in meeting with the financial reporting requirements of the Shareholder Agreement.

As a result, the Financial Statements and this Auditor's Report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Our report is intended solely for the Shareholders of the Group and should not be used by or distributed to parties other than the Shareholders of the Group. We disclaim any assumption of responsibility for any reliance on this report, or on the Financial Statements to which it relates, to any person other than the Shareholders of the Group or for any other purpose than that for which it was prepared.

### **Other Information**

Other Information is financial and non-financial information in Marmalade Group Pty Ltd's annual report which is provided in addition to the Financial Statements and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Statements does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.



## Responsibilities of the Directors for the Financial Statements

The Directors are responsible for:

- preparing the Financial Statements in accordance with the financial reporting requirements of *Australian Accounting Standards - Simplified Disclosures*
- implementing necessary internal control to enable the preparation of a Financial Statements that are free from material misstatement, whether due to fraud or error
- assessing the Group's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they 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 Statements

Our objective is:

- to obtain reasonable assurance about whether the Financial Statements 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 *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They 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 the Financial Statements.

A further description of our responsibilities for the audit of the Financial Statements is located at the *Auditing and Assurance Standards Board* website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf). This description forms part of our Auditor's Report.

KPMG

KPMG

B E Lovell

Partner

Brisbane

28 October 2024