2021 ANNUAL REPORT

igniteco.com

IGNITE LIMITED

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Kingston ACT 2604

Principal place of business

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Share registry

Computershare Investor Services Pty Limited
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Chairman

Garry Sladden

Chief Executive Officer

Timothy Moran

Chief Financial Officer

Mahendra Tharmarajah

Company Secretary

Ian Gilmour

Australian Securities Exchange listing

IGN

Auditors

PKF
Level 8, 1 O'Connell Street
Sydney NSW 2000

Solicitors

Hall & Wilcox
Level 18, 347 Kent Street
Sydney NSW 2000

Bankers

National Australia Bank
NAB Place
Level 3, 2 Carrington Street
Sydney NSW 2000

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2021 ANNUAL REPORT

CHAIRMAN'S LETTER

Dear Shareholder

After two years of a significant and necessary restructure, including the disposal of the China operations, it is very pleasing to report the best underlying operating result since 2012, with a small loss of $136k before net JobKeeper. This is a significant turnaround from the losses of prior years. The Group delivered a statutory net profit after tax of $2,415k for the 2021 financial year, including net JobKeeper. The benefits of the restructure will provide a solid foundation for investing in and growing the business in future years.

Despite the impact of COVID-19 and the challenges posed during the last year, the Ignite team has risen to the occasion and focused on ensuring a seamless and highly professional service delivery to our customers, contractors, and candidates. The ongoing safety and welfare of all our staff and contractors continues to be paramount and front-of-mind every day at Ignite as we continue to navigate the ongoing impact of COVID-19.

As previously reported, Tim Moran, a highly experienced industry veteran, was appointed Chief Executive Officer in early March 2021. Tim has had an immediate positive impact on the business, examining all areas of the business and developing a three-year strategic plan which he discusses in his Chief Executive Officer's Report. With Tim joining, we have also been fortunate to attract several talented senior industry professionals to Ignite, enabling Tim to build out his leadership team to deliver on the three-year strategy.

Ignite generated more than 90% of its revenues and gross profit in 2021 through contingent labour services and in particular, services to Federal and State Government customers. Given the impact of COVID-19 on the Australian economy, this reliance on the Government sector provided some protection to the Group's revenues and gross profits during the financial year.

In addition, as flagged at the half year, the JobKeeper Payment subsidies received of $2,607k during the year enabled the Group to financially support staff and contractors directly impacted by COVID-19 while also providing an additional financial buffer for the Group to better withstand the economic and trading impact of COVID-19.

As the financial year drew to a close, COVID-19 cases re-emerged in most Australian States and Territories. The ongoing impact of COVID-19 creates an uncertain economic and trading environment for the Group. However, the Directors remain confident about the Group's prospects for success in the coming years given the highly experienced Chief Executive Officer and leadership team that are now in place.

As a people business, we are very fortunate and privileged to have a team of dedicated and committed staff that have, despite incredible challenges, remained focussed on delivering the best possible service to our customers, contractors, and candidates. The Directors are truly grateful to the leadership team and staff for going beyond the call of duty. We thank you.

On behalf of the Directors, I would also like to thank our shareholders for their continuing support and belief in Ignite.

Garry Sladden

Garry Sladden
Chairman

CHIEF EXECUTIVE OFFICER'S REPORT

In my first report as Chief Executive Officer I am very pleased to be delivering a promising improvement in the financial results of Ignite. Following the challenging and necessary two-year period of restructure, we are now able to focus on our core sectors and look positively to the future.

As for many other businesses, the 2021 financial year proved to be challenging for the Ignite team. However, the strength of our customer base, particularly in Federal Government, our core sector focus in technology and engineering, as well as the resilience and focus of our staff allowed us to achieve the best underlying operating result in many years. Having been in my role now for almost 6 months, I have been wholly encouraged by the strength of the team at Ignite, the partnerships with our key customers and the passion to embrace a journey of growth and transformation.

My focus to date has been to:

- Develop a detailed understanding of our customers and the strengths of the team;
- Immerse myself in the Ignite culture;
- Understand further our opportunity in Federal Government, supporting the strategy of our ACT team; and
- Develop a three-year strategic plan around investment, transformation and growth. The aim of this plan will be to develop Ignite into a growing business that will offer opportunities for our staff and contractors, provide partnership to our customers, and generate value for our shareholders.

Our three-year strategic plan is underpinned by our staged plan to “invest, transform and grow”. This plan focuses on developing the foundations for Ignite to embark upon a path to consistent growth and improved profitability. The highlights of the strategy are to:

- Balance the portfolio contribution between our Specialist Recruitment and Managed Services businesses;
- Refine our service offering within the On Demand IT Services and People Services businesses;
- Create a national resourcing function to service all business units and allow Ignite to create best in class talent pooling;
- Implement a vertical market structure within the technology segment of Specialist Recruitment;
- Build out our successful NSW engineering business to offer greater capability in the STEM (“science, technology, engineering and mathematics”) sector; and
- Develop a national structure for Federal Government customers, building on our core ACT business.

Looking ahead, we are confident that we are creating a strong foundation for our “invest, transform and grow” strategy, enabling us to capitalise on talent shortages in our key markets. Whilst Specialist Recruitment is and will continue to be the largest part of our business, our strategy is to significantly increase the contribution of the On Demand IT Services and People Services businesses which typically operate at higher margins and conversion ratios.

From a sector perspective, technology and engineering remain our primary focus, with investment in other areas of STEM developing based on customer demand. From a customer perspective, we continue to focus on Federal and State Government and will work with corporates as partnership opportunities emerge. Whilst there are multiple avenues for growth, our approach is to focus on being “experts in our field” and initially to maximise growth organically and acquire talent in the market rather than make acquisitions. We have already made key appointments to support the delivery of our strategy and will continue to add leaders who can bring knowledge and expertise to our business. We strongly believe that our brand and our strategy will now attract the talent to deliver on our objectives.

The first 2 months of the 2022 financial year have seen a continuation of strong demand in our Specialist Recruitment division with notable activity seen in the ACT and NSW. Whilst it is encouraging to see demand from our customers continuing, there are increased challenges in sourcing talent with lockdowns impacting candidate confidence. Our On Demand IT Services business has and will continue to be impacted by lockdowns across Australia. Due to the nature of the work performed, our contractors need to be physically on site within certain customers and some of those contractors have been temporarily stood down.

In August 2021 we appointed an Executive General Manager for Talent Solutions and Operational Excellence, whose role it will be to grow our People Services business and work on the delivery of key projects that are now running in line with our strategic priorities.

CHIEF EXECUTIVE OFFICER'S REPORT (continued)

We have also recently hired a General Manager to lead our Specialist Recruitment business across NSW, Victoria and WA. Whilst we are investing in our Managed Services business, Specialist Recruitment will continue to be our core focus and the primary contributor to gross profit.

We are confident in our strategy and the strength of our customer base, while on notice regarding the ongoing impact of COVID-19 and mandated lockdowns on our business. However, we remain committed to the key pillars of our strategy and will invest as planned in the 2022 financial year.

Tim Moran

Tim Moran
Chief Executive Officer

FINANCIAL AND OPERATIONAL REVIEW

Key financial metrics

The financial year reflected the following movements on the comparative period.

	2021 $000	2020 $000	Change $000	Change +/ (-) %
Continuing operations				
Revenue	113,878	125,958	(12,080)	(9.6)
Gross profit	13,488	15,267	(1,779)	(11.7)
Gross profit margin	11.8%	12.1%	-	-
Profit/ (loss) for the year, net of income tax	2,415	(3,777)	6,192	163.9
Loss before JobKeeper, net of income tax[1]	(136)	(3,777)	3,641	96.4
Other income (incl JobKeeper)	2,632	708	1,924	271.8
Employee benefits expense	(9,719)	(12,907)	3,188	24.7
Occupancy expense	(631)	(1,578)	947	60.0
Other expenses	(2,694)	(4,137)	1,443	34.9
Corporate overheads	(5,582)	(7,452)	1,870	25.1
Ordinary activities[2]				
Net cash from operating activities	670	4,581	(3,911)	(85.4)
Net cash (used in)/ from operating activities before JobKeeper	(1,881)	4,581	(6,462)	(141.1)
Debtor finance facility	(783)	(1,187)	404	34.0
Cash	87	408	(321)	(78.7)
Net assets	5,330	2,916	2,414	82.8
Gearing	11.5%	21.1%	-	-

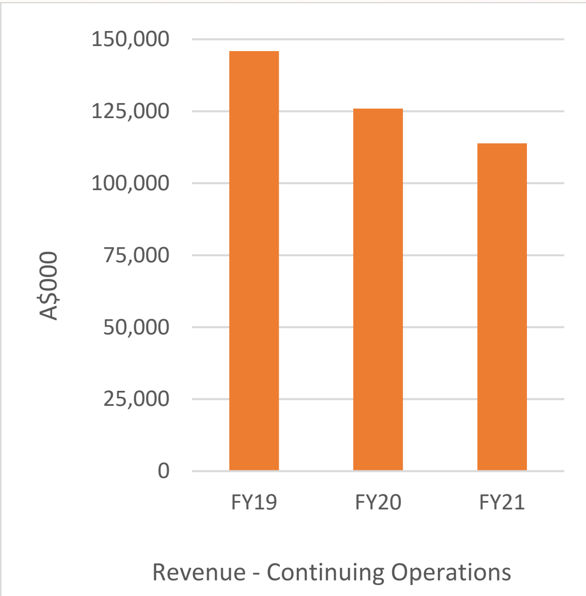
1. Less net $2,551k, being JobKeeper Payment subsidies received less payment of "top-up" wages to eligible staff and contractors.
2. The comparative period includes the results for the discontinued China operations until their disposal on 18 November 2019.

Financial review

In the 2021 financial year, revenue from continuing operations declined 9.6% from $125,958k to $113,878k. Gross profit from continuing operations decreased 11.7% from $15,267k to $13,488k and the gross profit margin from continuing operations decreased slightly from 12.1% in 2020 to 11.8% in the current year.

The Australian and New Zealand Specialist Recruitment business accounted for 91.9% of revenue from continuing operations (2020: 90.9%), the On Demand IT Services business accounted for 7.1% (2020: 7.3%) and the People Services business made up the balance.

Consolidated profit before corporate overheads and tax for continuing operations increased 133.8% to $7,997k (2020: $3,420k), a movement of $4,577k. The movement reflects the $2,072k improvement in the Australia and New Zealand Specialist Recruitment contribution plus a net $2,551k from JobKeeper Payment subsidies received less payment of "top-up" wages to eligible staff and contractors ("Net JobKeeper").

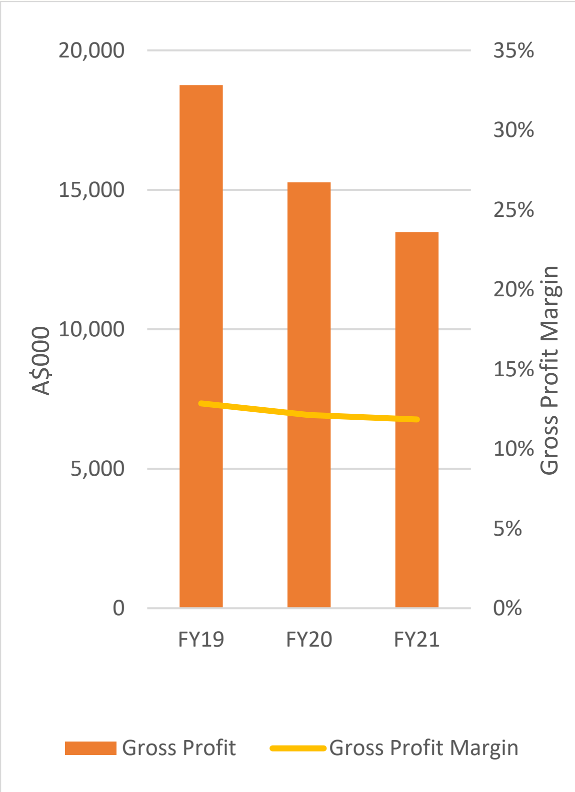


FINANCIAL AND OPERATIONAL REVIEW
(continued)

Financial review (continued)

Excluding the benefit of Net JobKeeper, consolidated profit before corporate overheads and tax for continuing operations increased 59.2% to $5,446k.

Profit for continuing operations before financing and tax increased 174.3% to $2,631k (2020: $3,540k loss) due to the $6,026k (30.9%) reduction in net operating overheads partially offset by the $1,779k reduction in gross profit.



The $3,188k (24.7%) reduction in employee benefits expense from continuing operations arose primarily from reduced headcount and lower salaries, lower commission payments due to reduced gross profit and reduced short term performance-based incentive payments tied to divisional operating performance.

The 60.0% reduction in occupancy expense was associated with the relocation of the 2 Sydney offices to more cost-effective premises during the 2020 financial year.

Profit for continuing operations after tax increased 163.9% to $2,415k (2020: $3,777k loss). Excluding the benefit of Net JobKeeper, there was a small loss from continuing operations after tax of $136k, an improvement of 96.4% on the comparative period.

The full year profit for continuing operations after tax included a second half profit for continuing operations after tax of $196k, an improvement of 115.3% on the comparative period.

Net cash from operating activities was $670k (2020: $4,581k), an 85.4% decrease for the year due to the combination of higher cash collections from higher revenue and improved trade receivables ageing in the 2020 financial year, versus the combination of lower cash collections from lower revenue and a deterioration in trade receivables ageing in the 2021 financial year.

At 30 June 2021 the Group had net assets of $5,330k (2020: $2,916k), with the movement reflecting the profit from continuing operations after tax of $2,415k, and a foreign currency translation loss of $1k. The profit from continuing operations after tax included Net JobKeeper of $2,551k.

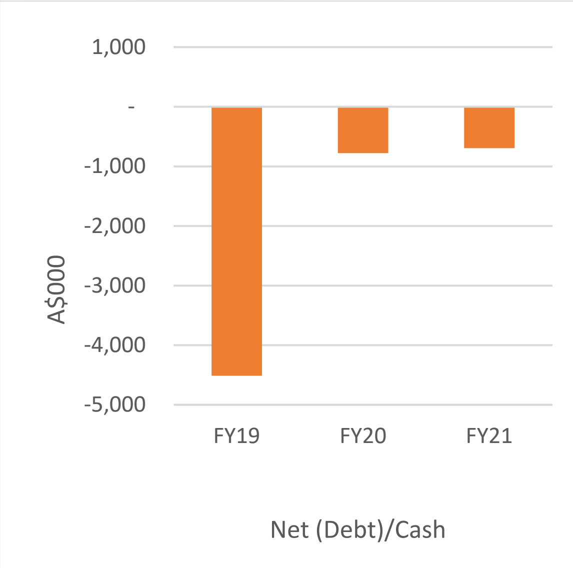
The Group's total assets of $13,124k (2020: $13,849k) consisted primarily of net trade receivables of $8,080k (2020: $7,578k) and accrued income of $3,888k (2020: $4,372k). Net trade receivables increased 6.6% due to a small deterioration in ageing at year end. The Group's total liabilities of $7,794k (2020: $10,933k) primarily comprised trade and other payables of $5,670k (2020: $7,696k).

FINANCIAL AND OPERATIONAL REVIEW

(continued)

Financial review (continued)

The cash balance at 30 June 2021 decreased 78.7% to $87k (2020: $408k) primarily due to the decrease in cash from operating activities discussed previously. Despite the deterioration in net cash from operating activities, there was a net repayment of the debtor finance facility during the year. As a result, the debtor finance facility utilised at the end of the year decreased 34.0% to $783k (2020: $1,187k).



The debtor finance facility drawdown fluctuates during the course of a month depending on contractor payments and customer billing cycles, as well as the timing of staff payroll, supplier payments and Federal and State Government statutory payments. Consequently, gearing at 30 June 2021 decreased to 11.5% (2020: 21.1%) with net debt down 10.7% to $696k (2020: $779k).

Operational review

Specialist Recruitment

Revenue from the Australian and New Zealand Specialist Recruitment division declined 8.6% to $104,659k (2020: $114,477k). The reduction in revenue was due to reduced customer demand arising from the impact of COVID-19, projects reaching completion, customers consolidating contingent labour suppliers through managed service providers or fulfilling a long-term strategy of bringing inhouse roles previously filled by contingent labour. Despite these external economic and market factors, there were 735 active contractors in June 2021, up slightly on the 705 in the comparative period. However, average margin per hour was down 9.2% year on year reflecting the changing mix of contingent labour roles across functional verticals and corporate, Federal and State Government customers, as well as the downward pressure on margins. Due to the impact of COVID-19, there was also reduced permanent hiring with permanent recruitment revenue from continuing operations declining 39.4% against the comparative period and as a proportion of gross profit declining to 6.5% (2020: 9.5%).

Gross profit decreased 10.4%, largely in line with the revenue decline in contingent labour and permanent recruitment, with gross profit margin also down slightly on the 2020 financial year. Profit before tax and corporate overheads increased 81.2% to $4,624k, reflecting a 37.3% reduction in operating overheads including salary and related costs and other operating costs, offsetting the decrease in gross profit.

During the year, the continuing focus on improving consultant performance and productivity resulted in headcount reductions of 10.9% for continuing operations through a combination of performance management and attrition.

The full year financial benefits from the 2020 financial year office relocations in Sydney were realised with a 60.0% decrease in occupancy expense and a 30.3% decrease in depreciation and amortisation for property right-of-use assets from the Melbourne office relocation and closure of the Brisbane office.

The ACT division continued to be the strongest performing business unit with a sustained performance, contributing $6,758k in gross profit, steady on the 2020 financial year. Meanwhile the NSW division saw a drop in gross profit of 7.1%, and the Victorian division saw gross profit drop 34.7% on the comparative period.

On Demand IT Services

Revenue from the Australian and New Zealand On Demand IT Services division declined 12.9% to $8,046k (2020: $9,241k) due to delays in the commencement of new projects, and on demand work at customer sites all being impacted by COVID-19. Gross profit, however, improved 19.2% on the back of improved gross profit margins from customers and improved project pricing. Profit before tax and corporate overheads increased by 233.7% during the year to $841k (2020: $252k) due to 24.3% lower operating overheads driven principally by 30% lower headcount.

FINANCIAL AND OPERATIONAL REVIEW
(continued)

Operational review (continued)

People Services

The People Services division experienced a decline of 47.6% in revenue to $1,173k (2020: $2,240k) and a decline of 56.6% in gross profit, largely due to lower project volume and lower gross profit margins. Profit before tax and corporate overheads declined 103.1% to a loss of $19k (2020: profit of $616k) with operating overheads declining at a slower rate than revenue.

Shared Services

Net corporate overheads decreased $1,870k (25.1%) against the comparative period mainly due to headcount reductions and the associated salary and on cost reductions. There were also reductions in other operating costs, including occupancy expenses, information technology, telephony, audit and tax fees. Net corporate overheads were mostly flat between the first and second halves of the 2021 financial year.

Debtor finance facility

As at 30 June 2021, the Group relied on a secured debtor finance facility provided by ScotPac Business Finance expiring on 20 February 2023 (the "Facility") to meet its working capital requirements. The maximum Facility amount is the lower of 85% of approved trade receivables or $15,000k and is subject to certain drawdown and reporting conditions. The total available Facility at the reporting date was $5,859k and the amount drawn down $783k, a decrease of 34.0% on the comparative period. This was largely due to the $2,551k Net JobKeeper paying down the Facility.

Impact of COVID-19

More than a year on, COVID-19 continues to have a significant impact on both local and global communities and economies. The Group has once again assessed the impact of COVID-19 on its financial reporting and determined that the financial performance for the year ended 30 June 2021 and overall financial position as at 30 June 2021 have been materially impacted.

The Group's going concern assessment at Note 2 of the Consolidated Financial Statements, and the associated 15-month cash flow forecast for the period July 2021 to September 2022, reflect a consideration of the impact of COVID-19.

The health, safety and well-being of staff and contractors working in Australia and New Zealand has been a key focus of the Group since the initial impact of COVID-19 in late March 2020. Most recently, there has been a marked resurgence in COVID-19 cases since mid-June across most Australian States and Territories. Consequently, COVID-19 related public health orders were issued requiring the Group and its customers to instruct their staff and contractors to, once again, work remotely where feasible. In the current environment, customers are cautious about pursuing permanent hiring or increasing their current contingent labour commitments, with customer on-site work also impacted.

It is clearly too early to assess the extent of the impact on the Group's revenues and gross profit in the 2022 financial year from these most recent restrictions. Federal, State and Territory Government public health orders and guidelines continue to be monitored and adhered to, thus ensuring the safety and well-being of all staff and contractors.

DIRECTORS' REPORT

The Directors present their report together with the financial report of Ignite Limited (the “Company”) and its controlled entities (the “Group”) for the financial year ended 30 June 2021 and the independent auditor's report thereon.

Directors

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

Garry Sladden
Jennifer Elliott
Fred van der Tang
Craig Saphin (retired 24 November 2020)

Principal activities

The principal activities of the Group during the financial year were the provision of contingent labour and permanent recruitment services (“Specialist Recruitment”), on demand information technology services (“On Demand IT Services”) and outsourced recruitment and human resource consulting services (“People Services”). The Group operates nationally through 5 offices in Australia as well as in New Zealand and employs approximately 75 permanent staff. There have been no changes in the principal activities of the Group during the year.

Review of operations

The profit attributable to equity holders of the Company for the financial year was $2,415k (2020: $6,272k loss).

The Chairman's Letter, Chief Executive Officer's Report and Financial and Operational Review form part of the Directors' Report for the financial year ended 30 June 2021.

Dividends

No dividends were paid or declared during the financial year. On 30 August 2021 the Directors resolved not to declare a final dividend for the year ended 30 June 2021.

Significant changes in state of affairs

During the financial year the Group was exposed to the ongoing impact of COVID-19 and received the Australian Federal Government JobKeeper Payment subsidies. On 8 March 2021 Timothy Moran was appointed as Chief Executive Officer.

There were no other significant changes in the state of affairs of the Group during the financial year.

Events subsequent to the reporting date

The Group is exposed to the ongoing impact of COVID-19 and associated public health restrictions creating uncertainty around the medium-term trading environment and economic impact in Australia and New Zealand. Subsequent to the reporting date, and as of the date of this report, there has been no material impact on the Group's financial performance.

No other matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Future developments

The Group is pursuing a strategy centred on the provision of Specialist Recruitment, On Demand IT Services and People Services in Australia and New Zealand.

DIRECTORS' REPORT (continued)

Environmental issues

The Group's operations are regulated by relevant Commonwealth and State legislation in Australia and legislation in New Zealand. The nature of the Group's business does not give rise to any significant environmental issues.

Information on the Directors

GARRY SLADDEN

Independent Non-executive Chairman

Garry is a business and strategic adviser who has a diversified business background in the areas of real estate, private equity, business operations, banking and finance, and equity raising. He was General Manager Operations at Consolidated Press Holdings for six years.

During the last three years Garry has been a director of listed company Folkstone Limited (resigned November 2018). Garry is currently Chairman of Star Car Wash Cafe Holdings Pty Ltd.

Garry acted as Executive Chairman from 23 January 2019 until the appointment of Timothy Moran as Chief Executive Officer on 8 March 2021.

Garry is Chairman of the Board and a member of the Board Audit, Risk and Compliance Committee and a member of the Board Remuneration and Nomination Committee.

JENNIFER ELLIOTT

Independent Non-executive Director

Jennifer has broad experience across senior executive roles in financial services, with a particular focus on strategic planning, risk and compliance, joint ventures in Asia and global human resources. During a 20-year career with Moody's Corporation, Jennifer held a variety of analytic and management roles, including over five years as head of Moody's Investors Service Asian business, and also several years as Chief Human Resources Officer for Moody's Corporation.

She holds a Master of Asian Business Studies from SOAS, University of London, and arts and law degrees from the University of Sydney.

During the last three years Jennifer has not been a director of any other listed company. Jennifer currently sits on several boards as an independent non-executive director, including not-for-profit entities.

Jennifer is Chairman of the Board Audit, Risk and Compliance Committee and a member of the Board Remuneration and Nomination Committee.

During the period that the Chairman of the Board acted as Executive Chairman, Jennifer chaired the meetings of Directors.

FRED VAN DER TANG

Independent Non-executive Director

Fred is a highly experienced senior executive at an international level, having built a career of over 20 years at Randstad, currently the world's largest recruitment company. In his time at Randstad, he held senior roles which included responsibility for Randstad's operations in the Netherlands, Italy, the UK and Australia/ New Zealand. He also served as Chief Sales Officer at a global level. Fred brings a deep understanding of growth and transformation in the recruitment industry.

Following Randstad, Fred was General Manager Australia/ New Zealand for Ascender HCM, a private equity owned payroll and human capital management provider. Fred is currently Chief Executive Officer and a shareholder of Make it Cheaper, a privately owned Australian company providing business energy price comparison and switching.

A Dutch national, now residing in Sydney, Fred attained a Master's degree in Business and Economics from the University of Amsterdam as well as qualifications from several leading business schools.

During the last three years Fred has not been a director of any other listed company.

Fred is Chairman of the Board Remuneration and Nomination Committee and a member of the Board Audit, Risk and Compliance Committee.

DIRECTORS' REPORT (continued)

Directors' interests in shares and options

At the date of this report, the particulars of shares and options in which each Director has a relevant interest either directly or indirectly are disclosed in the Remuneration Report on page 10.

Company Secretary

IAN GILMOUR FGIA, FCG (CS), FAICD

Ian is a seasoned and experienced company secretary and is currently director and company secretary of Gilmour & Co Pty Ltd, a provider of company secretarial services. He is company secretary of PEXA Group Limited (ASX: PXA), Optalert Holdings Pty Limited, Sydney Institute of Marine Science and Barker College Council. Ian was formerly director and company secretary of AQRB Pty Ltd (formerly Audit Quality Review Board Ltd) and company secretary of RedHill Education Limited (ASX: RDH) and Goodman Fielder Limited (ASX: GFF). He has also provided company secretarial services to several other ASX listed companies.

Audited remuneration report

The remuneration report is set out under the following headings:

- Director remuneration
- Principles used to determine the nature and amount of executive remuneration
- Details of Directors' and key management personnel remuneration
- Short-term incentive
- Long-term incentive
- Employment contracts
- Option holdings
- Shareholdings

The information provided under these headings includes remuneration disclosures that are required under the Corporations Act 2001. These disclosures have been transferred from the financial report and have been audited.

Director remuneration

The policy of the Board of Directors of the Company (the "Board") is to remunerate Directors at market rates for comparable companies. Such remuneration is provided in recognition of the time, commitment and responsibilities assumed by Directors. The Board Remuneration and Nomination Committee determines payments to Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required.

The maximum aggregate amount of fees that can be paid to Non-executive Directors is $500,000 per annum as approved by shareholders at the 2005 Annual General Meeting. Fees for Directors are not linked to the performance of the Group. Directors do not receive options or any form of equity as remuneration. Directors are entitled to statutory superannuation and do not receive any other retirement benefits.

Principles used to determine the nature and amount of executive remuneration

Executive remuneration principles

The Board Remuneration and Nomination Committee's Charter includes setting the terms and conditions by which executive remuneration is determined. The Board Remuneration and Nomination Committee received professional advice from independent external consultants in the financial year on executive remuneration. All executives receive a base salary (which is based on factors such as experience) and statutory superannuation and are eligible for fringe benefits as well as performance-based and service-based incentives.

DIRECTORS' REPORT (continued)

Principles used to determine the nature and amount of executive remuneration (continued)

Executive remuneration principles (continued)

The Board Remuneration and Nomination Committee reviews senior executive remuneration annually, as requested by the Chief Executive Officer, by reference to the Group's performance, executive performance, comparable information from industry sectors and other listed companies in similar industries.

The Group's executive remuneration practices have been designed to align executive and shareholder interests and objectives. The Board believes these practices to be appropriate and effective in attracting and retaining skilled executives to manage and operate the business.

The performance of executives is measured against criteria agreed annually with each executive. The criteria are based predominantly on the forecast financial performance of the Group. Bonuses and incentives are linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can review the Board Remuneration and Nomination Committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract and retain skilled executives and reward them for performance that results in long-term growth in shareholder wealth.

Executives may also be invited to participate in the Company's Equity Incentive Plan. Executives are entitled to statutory superannuation and do not receive any other retirement benefits. All remuneration paid to executives is valued at cost to the Group and expensed.

Performance based remuneration

As part of the Chief Executive Officer and executives' remuneration packages there is a performance-based component, related to Key Performance Indicators (“KPIs”). The intention of this program is to facilitate congruence of goals between executives and those of the business and shareholders. The KPIs are set annually, in consultation with executives to ensure their commitment to achieving those goals.

The KPIs target the areas the Board believes hold the greatest potential for the Group's expansion and profitability, covering financial and non-financial as well as short-term and long-term goals. The measures are specifically tailored to the areas of each executive's involvement within the business and over which they have control. The level set for each KPI is based on budgeted amounts for the Group and industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. In determining whether or not a financial KPI has been achieved, the Company bases the assessment on audited financial information. The Chief Executive Officer's achievement of KPIs is determined by the Board while each executive's achievement of KPIs is determined by the Chief Executive Officer and/ or the Board.

Following the annual assessment, the KPIs are reviewed by the Chief Executive Officer, with assistance as may be required from the Board Remuneration and Nomination Committee in light of the desired and actual outcomes for that year. The KPIs are then set for the year in order to align with the Group's objectives.

DIRECTORS' REPORT (continued)

Principles used to determine the nature and amount of executive remuneration (continued)

Consequences of performance on shareholder wealth

In considering the Group's performance and impact on shareholder wealth, the Board Remuneration and Nomination Committee has regard to the following information in respect of the current financial year and prior four financial years for ordinary activities.

	2021	2020	2019	2018	2017
	$000	$000	$000	$000	$000
Profit/ (loss) attributable to the Owners of the Company	2,415	(6,272)	(5,812)	(2,566)	(3,724)
	$	$	$	$	$
Share price at the beginning of the year	0.02	0.04	0.05	0.08	0.19
Share price at the end of the year	0.06	0.02	0.04	0.05	0.08
Return on capital employed	-	-	-	-	-
	Cents	Cents	Cents	Cents	Cents
Basic earnings/ (loss) per share	2.70	(7.00)	(6.49)	(2.86)	(4.16)
Diluted earnings/ (loss) per share	2.70	(7.00)	(6.49)	(2.86)	(4.16)

Details of Directors' and key management personnel remuneration

The fees and other remuneration paid to Directors constitute 100% fixed remuneration. Directors are not entitled to any performance-based or service-based remuneration. The remuneration of Directors of the Group is as follows.

	Short-term Employment Benefits			Post-employment Benefits		Long-term Employment Benefits	
	Fees	Other[2]	Non-Monetary Benefits	Superannuation	Termination Benefits	Share Based Payments	Total Remuneration
	$	$	$	$	$	$	$
Directors							
Garry Sladden[1]							
2021	99,000	398,810	-	21,694	-	-	519,504
2020	99,000	297,997	-	21,003	-	-	418,000
Jennifer Elliott							
2021	53,425	-	-	5,075	-	-	58,500
2020	53,425	-	-	5,075	-	-	58,500
Craig Saphin[3]							
2021	22,260	-	-	2,115	-	-	24,375
2020	53,425	-	-	5,075	-	-	58,500
Fred van der Tang							
2021	48,973	-	-	4,652	-	-	53,625
2020	53,425	-	-	5,075	-	-	58,500

1. Garry Sladden acted as Executive Chairman from 23 January 2019 until the appointment of Timothy Moran as Chief Executive Officer on 8 March 2021.
2. In addition to the regular fees received for his role as Chairman, Garry was compensated an additional $397,775 inclusive of superannuation for his role as Executive Chairman.
3. Craig Saphin retired as a Director on 24 November 2020.

DIRECTORS' REPORT (continued)

Details of Directors' and key management personnel remuneration (continued)

The remuneration of key management personnel of the Group is as follows.

	Short-term Employment Benefits			Post-employment Benefits		Long-term Employment Benefits	
	Salary $	Bonus $	Non-Monetary Benefits $	Superannuation $	Termination Benefits $	Share Based Payments $	Total Remuneration $
Key management personnel							
Timothy Moran[1]							
2021	112,169	-	-	7,725	-	-	119,894
2020	-	-	-	-	-	-	-
Mahendra Tharmarajah							
2021	312,114	95,000	-	24,999	-	-	432,113
2020	311,040	13,125	-	24,963	-	-	349,128

1. Timothy Moran was appointed Chief Executive Officer on 8 March 2021.

The relative proportions of key management personnel remuneration that is fixed, performance-based and service-based is as follows.

		Performance-based Remuneration			Service-based Remuneration		
	Fixed Remuneration %[1]	Performance-based Remuneration %[1]	% Vested in Year[2]	% Forfeited in Year	Service-based Remuneration %	% Vested in Year[2]	% Forfeited in Year
Key management personnel							
Timothy Moran							
2021	100	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
Mahendra Tharmarajah							
2021	77	23	-	-	-	-	-
2020	96	4	-	-	-	-	-

1. The proportions are based on the entitlements of each key management person during the financial year.
2. Vesting percentages are based on actual remuneration payable in the financial year.

The remuneration packages of key management personnel contain a performance-based remuneration component related to achievement of agreed KPIs. The remuneration of key management personnel and the returns to the Company's shareholders are aligned through the remuneration policies implemented by the Board.

Performance linked compensation includes both short-term and long-term incentives and is designed to reward key management personnel for meeting or exceeding financial and non-financial objectives. The short-term incentive is a bonus provided in the form of cash, while the long-term incentive is provided as options pursuant to the rules of the Company's Equity Incentive Plan.

Short-term incentive

The objective of the short-term incentive (“STI”) is to reward key management personnel for their contribution to the achievement of the Group's annual financial and non-financial objectives. The STI provides for an annual cash payment based on achieving pre-determined KPIs.

DIRECTORS' REPORT (continued)

Short-term incentive (continued)

Each year the Board Remuneration and Nomination Committee sets KPIs for the key management personnel. The KPIs generally include financial measures relating to the Group such as gross profit, gross profit %, net profit before tax (“NPBT”) and NPBT margin %. The non-financial objectives vary with role and responsibility and include measures such as achieving strategic outcomes, adhering to legal and operational compliance, customer satisfaction and staff development.

The KPIs assigned to key management personnel directly impact the amount of any STI payment. Each financial and non-financial objective accounts for between 20 to 40 percent of the maximum STI. The level of performance-based remuneration of key management personnel is directly linked to the performance of the Group in each financial year.

At the end of the financial year, the Board Remuneration and Nomination Committee reviews the actual financial and non-financial performance of the Group and the individual's achievement of the KPIs set at the beginning of the financial year. In determining whether or not a financial KPI has been achieved, the Company bases the assessment on audited financial information.

Long-term incentive

The objective of the long-term incentive is to reward the Chief Executive Officer and key management personnel for their contribution to the creation of shareholder value over the long-term. Options are granted under the Company's Equity Incentive Plan which provides for key management personnel to receive options as part of their remuneration. The options are granted based on performance criteria and to encourage staff retention.

The goal is to increase congruence of goals between executives and those of the business and shareholders. Options only vest where the performance and tenure hurdles are satisfied.

Employment contracts

It is the Group's policy that service contracts for key management personnel are on-going until terminated by either party. Remuneration and other terms of employment for key management personnel are formalised in contracts of employment. Each of these contracts of employment specify the remuneration terms including the fixed and performance-based remuneration components providing for cash bonuses, options and other benefits. There are no specified lengths of service included within the contracts of employment. The contracts of employment of key management personnel may be terminated by either party with three months' notice.

Option holdings

There are currently no options over ordinary shares on issue pursuant to the Company's Equity Incentive Plan.

Shareholdings

	Balance 30 June 2020	Movement	Balance 30 June 2021
Directors			
Garry Sladden	240,142	107,500	347,642
Jennifer Elliott	250,000	-	250,000
Fred van der Tang	250,000	-	250,000
Key management personnel			
Timothy Moran	-	-	-
Mahendra Tharmarajah	200,000	-	200,000

DIRECTORS' REPORT (continued)

Shareholdings (continued)

No shares were issued during the year to key management personnel pursuant to the exercise of options over ordinary shares.

Shareholdings are unchanged as at the date of this report.

End of Audited Remuneration Report

Meetings of Directors and Board committees

During the financial year, the following meetings of the Directors, the Board Audit, Risk and Compliance Committee and the Board Remuneration and Nomination Committee were held with attendances as indicated.

	Meetings of the Directors		Meetings of the Board Audit, Risk and Compliance Committee		Meetings of the Board Remuneration and Nomination Committee	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
Directors						
Garry Sladden	18	18	5	5	4	4
Jennifer Elliott	18	18	5	5	4	4
Fred van der Tang	18	18	5	5	4	4
Craig Saphin	8	8	3	3	2	2

Indemnifying officers

The Company has entered into deeds of indemnity, insurance and access with each of the Directors and the Company Secretary. The form of these deeds was approved by shareholders at the 2001 Annual General Meeting. The indemnity will only indemnify a Director and the Company Secretary to the extent permitted by law and the Company's Constitution.

During the year the Company paid a premium to insure the Directors and the Company Secretary listed in this report, against liabilities for the costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of non-executive officers of the Company. The terms of the policy prohibit disclosure of the premium paid.

Directors' benefits

No Director has received or become entitled to receive, during or since the end of the financial year, a benefit because of a contract made by the Company, a controlled entity or a related body corporate with a Director, a firm of which a Director is a member or an entity in which a Director has a substantial financial interest other than as disclosed in the Remuneration Report.

This statement excludes a benefit included in the aggregate of emoluments received or due and receivable by Directors and shown in the Company's consolidated financial statements, or the fixed salary of a full-time employee of the Company, a controlled entity or a related body corporate.

Proceedings on behalf of the Company

No person has applied for leave of the Court under section 237 of the Corporations Act 2001 to bring proceedings on behalf of the Company, or to intervene in any proceeding to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

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

DIRECTORS' REPORT (continued)

Non-audit services

The Board, in accordance with advice from the Board Audit, Risk and Compliance Committee, are satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Board are satisfied that the services disclosed in Note 24 of the Consolidated Financial Statements did not compromise the external auditor's independence for the following reasons:

- The nature and scope of all non-audit services are reviewed and approved by the Board Audit, Risk and Compliance Committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- The nature of the services provided do not compromise the general principles relating to auditor independence as set out in the APES 110 Code of Ethics for Professional Accountants.

Refer to Note 24 for amounts paid or payable during the financial year to the external auditors in respect of non-audit services.

Auditor's independence declaration

The lead auditor's independence declaration for the year ended 30 June 2021 is set out on page 17 of the Directors' Report.

Rounding of amounts

The Company, is a company of the kind referred to in ASIC Corporations (Rounding in Financials/ Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the Directors' Report and the consolidated financial statements are rounded off to the nearest thousand dollars or in certain cases to the nearest dollar, unless otherwise indicated.

Signed in accordance with a resolution of the Board of Directors.

Garry Sladden

Garry Sladden
Chairman

Dated at Sydney this 30th day of August 2021.

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Ignite Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

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

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

PKF

PKF

P. Pearman.

PAUL PEARMAN
PARTNER

30 AUGUST 2021
SYDNEY, NSW

Corporate Governance Statement

This statement sets out the material governance principles and processes of the Company and the Group. The Board has followed recommendations established in the Australian Securities Exchange ("ASX") Corporate Governance Principles and Recommendations, Fourth Edition (the "ASX Recommendations").

The Directors have resolved to consider and apply these ASX Recommendations unless it is determined that, in the circumstances of the Group, there is a sound reason in the interests of shareholders not to do so.

Features of the Group's corporate governance regime are summarized below. Details of the Group's corporate governance codes, charters and policies are available on the Group's website under Investor Information - Corporate Governance (www.igniteco.com/investor-information/corporate-governance) (the "Website").

Principle 1 – Lay solid foundations for management and oversight

The role of the Board is to approve the strategic direction of the Group, guide and monitor management and the business in achieving its strategic plans and oversee good governance practice. The Board aims to protect and enhance the interests of its shareholders, while considering the interests of other stakeholders, including customers, contractors, candidates, vendors, employees and the wider community.

The responsibilities and accountabilities of the Board have been framed in a Board Charter, which reflects its governance principles. The Board Charter is available on the Group's Website.

During the financial year, the Board met 18 times. Meetings are held at regular intervals throughout the financial year supplemented by additional meetings as required in the conduct of the Board's responsibilities.

The Board operates on the principle that all significant matters are dealt with by the full Board and has specifically reserved the following matters for its decisions:

- Strategy and planning
- Staffing
- Remuneration
- Capital management and financial reporting
- Performance monitoring
- Risk management
- Audit, risk and compliance
- Board processes and policies

To assist in its deliberations, the Board has established two main committees, which, apart from routine matters, act primarily in a review or advisory capacity on the matters set out in their respective charters. These are the Board Audit, Risk and Compliance Committee ("Audit Committee") and the Board Remuneration and Nomination Committee ("Remuneration Committee"). The charters of each Committee are summarised in this report. Other committees may be established to address specific issues as may be required from time to time.

Chairman's Responsibilities

The Chairman's responsibilities are expressly identified in the Board Charter. The Chairman is responsible for ensuring that the Board receives timely, clear and relevant information to facilitate the efficient organisation and conduct of the Board's duties with respect to strategic direction, governance and monitoring the performance of management. The Chairman is also responsible for ensuring that procedures to assess the performance of the Board and the Directors are operating, facilitating Board discussion and effective contribution of all Directors and overseeing representations to and communications with the shareholders.

Corporate Governance Statement (continued)

Principle 1 – Lay solid foundations for management and oversight (continued)

Director Selection

It is the role of the Remuneration Committee to identify suitable candidates to complement the existing Board and to make recommendations to the Board on their appointment. The Board considers the appointment or retirement of Directors annually under succession plan principles having regard to the size of the Group and to the appropriate skills and experience of Directors. Skills and experience regarded as important include experience as a chief executive officer, recruitment and broader service industry experience, experience in financial markets, including acquisitions, financial experience, and broad experience in governance and risk management in particular with ASX listed companies.

Before appointing a Director, the Company undertakes comprehensive due diligence including employment, character reference, criminal history, bankruptcy and disqualified company director investigations.

Directors' Performance Review

During the year, the Board surveyed the Directors regarding the performance of the Chairman, the Directors, the Board and its committees and discussed the results.

Company Secretary

The Company Secretary is appointed by the Board and is accountable to the Board, through the Chairman, on all governance matters. Biographical details showing the relevant skills, experience and expertise held by the Company Secretary are included in the Directors' Report.

Role of the Chief Executive Officer

The responsibility for implementing the approved business plans and for the day-to-day operations of the Group is delegated to the Chief Executive Officer who, with the management team, is accountable to the Board. The Board approves the Delegation of Authority that sets out the authority limits for the Chief Executive Officer and the management team.

Performance Based Remuneration

Across the Group, there is a strong performance management discipline teamed with competitive reward and incentive programs. As part of the management team's remuneration packages there is a performance-based component, related to Key Performance Indicators (“KPIs”). The intention of this program is to facilitate congruence of goals between management and those of the business and shareholders. The KPIs are set annually, in consultation with management to ensure their commitment to achieving those goals. The measures are specifically tailored to the areas of each manager's involvement within the business and over which they have control. Performance reviews have been carried out in accordance with policy during the financial year.

Diversity Policy

The Group understands that a diverse workforce is one that recognises and embraces the varied skills and perspectives that people bring to the organisation through their differences.

The Group values the differences between people and the contribution these differences make to its business. The Group recognises its talented and diverse workforce is a key competitive advantage and that its business success reflects the quality and skills of its people. As such the Group is committed to seeking out and retaining the best people to ensure business growth and performance.

Above all, the Group is committed to ensuring that all stakeholders, including customers, contractors, candidates, vendors, employees and the wider community treated with respect and dignity. It strives to create and foster a supportive and understanding environment in which all individuals realise their maximum potential within the Group, regardless of their differences.

Corporate Governance Statement (continued)

Principle 1 – Lay solid foundations for management and oversight (continued)

Diversity Policy (continued)

The Board understands the importance of maintaining a diversity policy. The values are set out in the Group's diversity policy, which is available on the Group's Website.

As part of monitoring its diversity policy, the Board measures its gender diversity noting the respective proportions of men and women on the Board, in key management roles and within broader management. However, the Board has determined not to set measurable objectives for achieving gender diversity for the foreseeable future.

	30 June 2021		30 June 2020	
Gender Diversity	Female (%)	Male (%)	Female (%)	Male (%)
Board of Directors	33%	67%	25%	75%
Key management personnel	-	100%	-	100%
Management	25%	75%	50%	50%
Group	58%	42%	60%	40%

Principle 2 – Structure the Board to be effective and add value

The Board comprises three Directors. The Board considers this number appropriate in the present circumstances of the Company. The Board Charter requires that there be a majority of Directors who are independent and non-executive. The majority of Directors in office are independent and non-executive. One-third of the Board is required to retire at each Annual General Meeting and may stand for re-election. The Director(s) to retire shall be those who have been longest in office since their last election. A Director appointed to fill a casual vacancy or as an additional Director only holds office until the next Annual General Meeting, when they must retire, and seek re-election by shareholders at the meeting.

Biographical details showing the relevant skills, experience and expertise of each Director are included in the Information on Directors section of the Directors' Report. The Board comprises the following Directors at the date of this report:

Name	Position	Appointed
Garry Sladden[1]	Independent Non-executive Chairman	September 2013
Jennifer Elliott	Independent Non-executive Director	May 2014
Fred van der Tang	Independent Non-executive Director	January 2019

1. Garry Sladden acted as Executive Chairman from 23 January 2019 until the appointment of Timothy Moran as Chief Executive Officer on 8 March 2021. During the period that Garry acted as Executive Chairman, Jennifer Elliott, Chairman of the Board Audit, Risk and Compliance Committee, chaired the meetings of Directors.

Corporate Governance Statement (continued)

Principle 2 – Structure the Board to be effective and add value (continued)

Directors' Independence

The Board has established a policy on Directors' independence. An "independent non-executive Director" is independent of management, free of any significant business or other relationships that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment, and otherwise meets the criteria for independence set out in the ASX Recommendations.

Directors are considered to be independent if they meet the following criteria:

- they are not a substantial (5% or greater) shareholder of the Company or an officer of a substantial shareholder of the Company;
- they have not been employed in an executive capacity in the last three years by the Company or a subsidiary of the Company;
- they have not been employed as a principal of a material professional advisor to the Company or a subsidiary of the Company during the past three years;
- they are not a material supplier or customer of the Company or a subsidiary of the Company;
- they have no material contractual relationship with the Company or a subsidiary of the Company (other than as a Director of the Company); and
- they are free from any interest, business or personal, which could, or could reasonably be perceived to materially interfere with their ability to act in the best interests of the Group.

In determining whether or not a material relationship exists with a third party such as a supplier, professional advisor or customer, the Board considers that relationship to be material if it meets the following criteria:

- the customer accounts for more than 5% of the Group's consolidated gross revenue per annum;
- the Group accounts for more than 5% of the supplier's consolidated revenue;
- the total value of any contract or relationship between the Group and the Director (other than as a Director of the Company) exceeds $200,000.

Independent Professional Advice

Each Director has the right to seek independent professional advice at the Company's expense. The consent of the Board is required prior to obtaining such advice and the concerned Director does not participate in the Board's consideration of its consent.

Induction of New Directors and Ongoing Development

New Directors are provided with a formal letter of appointment which sets out the key terms and conditions of appointment, including their duties and responsibilities, required time commitment, requirement to disclose notifiable interests or other interests and matters affecting independence.

New Directors participate in an induction program designed to introduce the Director to all aspects of the Group's business and corporate strategies, as well as incorporating information in relation to areas in which the Director will particularly be involved. The new Director will meet with the Chairman and each Director, the Chief Executive Officer and management in order to gain an insight into the values and culture of the Group.

On an ongoing basis, Directors are provided with presentations and briefings on matters impacting the strategy and operations of the Group.

Corporate Governance Statement (continued)

Principle 2 – Structure the Board to be effective and add value (continued)

Board Skills Matrix

The Board skills matrix is set out below:

Strategic Areas	Skills
Strong capital management and appropriate oversight of financial controls and risk	• Risk management • Financial accounts literacy • Shareholder and investor relations • Investment banking and capital management
Understanding of employment/ labour hire business	• Employment/ labour hire business acumen • Information technology • Marketing • Digital strategy
International business experience	• Senior management experience leading international divisions • Strategy
Other areas	• Executive/ senior management experience • Corporate governance experience • Diversity and inclusion

Board Remuneration and Nomination Committee

The Remuneration Committee operates under a Charter approved by the Board. The Charter is available on the Group's Website. The Remuneration Committee's objective is to assist the Board in the consideration of personnel and remuneration issues within the Group. The Remuneration Committee ordinarily comprises a minimum of three Directors, a majority of whom are independent Non-executive Directors. The members of the Remuneration Committee during the year were:

Name	Position
Fred van der Tang	Chairman of the Remuneration Committee and Independent Non-executive Director
Jennifer Elliott	Independent Non-executive Director
Craig Saphin	Independent Non-executive Director (retired 24 November 2020)
Garry Sladden[1]	Independent Non-executive Director

1. Garry Sladden acted as Executive Chairman from 23 January 2019 until the appointment of Timothy Moran as Chief Executive Officer on 8 March 2021. During the period that Garry acted as Executive Chairman, Jennifer Elliott, Chairman of the Board Audit, Risk and Compliance Committee, chaired the meetings of Directors.

The qualifications of Remuneration Committee members as at the date of this report are set out in the Information on Directors section of the Directors' Report.

The Remuneration Committee, which is accountable to the Board, is required by its Charter to meet at least twice per year. Details of the number of meetings of the Remuneration Committee held during the year, and the attendees at those meetings, are set out in the Meetings of Directors and Board Committees section of the Directors' Report.

Corporate Governance Statement (continued)

Principle 2 – Structure the Board to be effective and add value (continued)

Board Remuneration and Nomination Committee (continued)

The responsibilities of the Remuneration Committee are delegated by the Board and include:

- recommending the structure and constituency of the Board such that it has the effective composition, size and commitment to properly discharge its responsibilities and duties;
- ensuring appropriate Board succession planning, including identification, induction and training of new Directors as required;
- performance assessment in relation to the Board and individual Directors;
- assisting the Chairman in relation to the efficacy of Board processes;
- recommending Chairman and Non-executive Director remuneration;
- recommending remuneration framework and levels for the Chief Executive Officer and management;
- assisting the Chairman in relation to performance goals for, and assessment of, the Chief Executive Officer and management;
- policies and procedures regarding the management team for recruitment, retention, remuneration, training and succession planning; and
- policies on superannuation arrangements for the Group.

For details on the amount of remuneration, and all monetary and non-monetary components for the Directors and key management personnel who were not Directors during the year refer to the Audited Remuneration Report section of the Directors' Report. In relation to the payment of bonuses, granting of options, and other incentive payments, discretion is exercised by the Board having regard to the overall performance of the Group and the performance of the individual during the period.

There is no scheme to provide retirement benefits to Non-executive Directors, other than statutory superannuation.

Principle 3 – Instil a culture of acting lawfully, ethically and responsibly

Code of Conduct/ Ethical Business Behaviour

The Board recognises the need to observe the highest standards of corporate practice and business conduct. The Board has adopted a Code of Conduct (the "Code") applicable to all Directors, management and employees. The Code directs standards of behaviour and interpersonal dealings. Within the letter and spirit of the Code, the Directors, management and all employees are expected to act lawfully, in a professional manner, and with the utmost integrity and objectivity in their dealings with all stakeholders, including customers, contractors, candidates, vendors, competitors, the wider community and each other, striving at all times to enhance the reputation and performance of the Group.

The Code is available on the Group's Website.

In addition, the Group has implemented a whistle-blower policy, empowering employees to report instances of workplace misconduct. The procedures are protective of the interests and concerns of employees who are genuinely exposed to such instances.

Share Ownership and Dealings

Details of shareholdings in the Company of Directors and key management personnel are set out in the Directors' Report.

Corporate Governance Statement (continued)

Principle 3 – Instil a culture of acting lawfully, ethically and responsibly (continued)

Securities Trading Policy

Directors, management and employees are subject to the Corporations Act 2001, which restricts trading in securities in the Company if they are in possession of inside information. The Board has adopted a formal policy for securities trading which is available on the Group's Website. Directors, key management personnel and specified employees of the Group are not permitted to undertake any trading in securities in the Company outside designated trading windows without written permission. Directors, key management personnel and specified employees of the Group are further prohibited from trading in securities in the Company at any time whilst in possession of inside information including information relating to the Group which is not generally available but would, if the information were generally available, be likely to have a material effect on the price or value of securities in the Company.

Principle 4 – Safeguard the integrity of corporate reports

Board Audit, Risk and Compliance Committee

The Audit Committee operates under a Charter approved by the Board. The Charter is available on the Group's Website. The Audit Committee's objectives are to assist the Board in safeguarding integrity in financial reporting; making timely and balanced disclosure to shareholders, and potential shareholders in accordance with the principles of continuous disclosure; recognising and managing risk; and overseeing the Company's process for monitoring compliance with laws and regulations and the code of conduct. The Audit Committee ordinarily comprises a minimum of three Directors, a majority of whom are independent Non-executive Directors. The members of the Audit Committee during the year were:

Name	Position
Jennifer Elliott	Chairman of the Audit Committee and Independent Non-executive Director
Craig Saphin	Independent Non-executive Director (retired 24 November 2020)
Garry Sladden[1]	Independent Non-executive Director
Fred van der Tang	Independent Non-executive Director

1. Garry Sladden acted as Executive Chairman from 23 January 2019 until the appointment of Timothy Moran as Chief Executive Officer on 8 March 2021. During the period that Garry acted as Executive Chairman, Jennifer Elliott, Chairman of the Board Audit, Risk and Compliance Committee, chaired the meetings of Directors.

The qualifications of Audit Committee members as at the date of this report are set out in the Information on Directors section of the Directors' Report.

The Audit Committee, which is accountable to the Board, is required by its Charter to meet at least twice per year. Details of the number of meetings of the Audit Committee held during the year, and the attendees at those meetings, are set out in the Meetings of Directors and Board Committees section of the Directors' Report.

The responsibilities of the Audit Committee are delegated by the Board and include:

- monitoring the integrity of statutory reporting and reviewing, with recommendations, the policies and disclosures inherent in the half-year and full-year financial statements;
- reviewing and approving financial policies and procedures so as to ensure the effectiveness of financial management and reporting, the completeness of compliance obligations, and adherence with continuous disclosure requirements;
- monitoring and appropriately advising the Board in relation to related party transactions;
- monitoring and assessing the Group's internal control frameworks and risk management strategies and processes, including recommending the insurance strategy;
- overseeing the scope, cost and performance of external audit, and directing the strategies and scope of internal audit; and
- recommending the appointment, and monitoring the independence, of external auditors.

Corporate Governance Statement (continued)

Principle 4 – Safeguard the integrity of corporate reports (continued)

External Auditors

The Group's policy is to appoint external auditors who are independent and who demonstrate that independence.

An analysis of fees paid to the external auditors, including a breakdown of fees for non-audit services, is provided in Note 24 to the Consolidated Financial Statements. The external auditors provide an annual declaration of their independence to the Board and explain the basis upon which non-audit services do not impair their independence.

The external auditor will attend the Annual General Meeting and will be available to answer shareholder questions about the conduct of the audit and preparation and content of the Independent Auditor's Report.

Financial Reporting

The Chief Executive Officer and Chief Financial Officer have stated, in writing, to the Board that the Group's Consolidated Financial Statements for the year ended 30 June 2021 present a true and fair view in all material respects of the Group's financial position and its operations for the year, and that they are in accordance, in all material respects, with all relevant accounting standards. The Chief Executive Officer and Chief Financial Officer have further stated to the Board, in writing, that the Group's records have been properly maintained under law, that the Consolidated Financial Statements are underpinned by sound systems of risk management and internal compliance and control which are operating effectively in all material respects, and that there are no post 30 June 2021 events which would materially impact the effectiveness of those systems.

In order to verify the integrity of periodic financial reports released to the market that are not audited or reviewed by the external auditor, the Chief Financial Officer states, in writing, to the Board that the Group's financial records have been properly maintained under law and that the quarterly financial statements are underpinned by sound systems of risk management and internal compliance and control which are operating effectively in all material respects.

Principle 5 – Make timely and balanced disclosure

The Group's practice, as reflected in the Communication and the Continuous Disclosure Policies that are available on the Group's Website, is to release all price-sensitive information in a timely manner and in accordance with practices directed by the ASX Listing Rules. For disclosure purposes, price-sensitive information is taken to be information that a reasonable person would expect to have a material effect on the price of the Company's securities.

All material information issued to ASX, published half-year and annual reports, half-year and full-year results and presentation material provided to investors or analysts, are provided to, and approved by, the Board prior to release, presentation or disclosure, and are first made available via the ASX Market Announcements Platform.

The Company Secretary is the primary person responsible for communication with ASX.

The Chairman is the authorised spokesperson who can communicate on behalf of the Group with shareholders, the media and the investment community.

Corporate Governance Statement (continued)

Principle 6 – Respect the rights of shareholders

The rights of shareholders are detailed in the Company's Constitution. Those rights include electing members of the Board. In addition, shareholders have the right to vote on important matters that have an impact on the Company. All substantive resolutions at a meeting of shareholders are decided by a poll rather than by a show of hands. To allow shareholders to effectively exercise these rights, the Board is committed to improving the communication to shareholders of high quality, relevant and useful information in a timely manner, through:

- ASX announcements;
- Company publications including half-year and annual reports;
- The Annual General Meeting; and
- The Group's Website.

Shareholders are encouraged to make their views known to the Company and to directly raise matters of concern. Shareholders are encouraged to attend the Annual General Meeting and use this opportunity to ask questions. The Annual General Meeting will remain the main opportunity each year for shareholders to question the Board and management and make their views known.

The Company encourages two-way communication with shareholders and to this end has set up electronic communications facility via its Website (www.igniteco.com/investor-information/media-contact/).

Shareholders have the option to receive communications from, and send communications to, the Company and its security registry Computershare Investor Services Pty Limited electronically (www.igniteco.com/investor-information/shareholder-services/).

Principle 7 – Recognise and manage risk

The Board has a Risk Management Framework that formalises the approach to management of material business risks. The policy is in the process of being fully implemented through a top down and bottom up approach to identifying, assessing, monitoring and managing key risks across the Group.

The Board is responsible for approving strategies and policies in relation to the identification of and management of risk and compliance. The Board oversees the effective management of risk and compliance, including delegation to the Audit Committee and to management. The Audit Committee reports to the Board on the effectiveness of the Risk Management Framework that is in place and all material business risks.

The external audit function also reviews the Group's risk assessment and risk management.

The Group monitors its exposure to all material business risks including economic, social, governance and environmental risks. The Group has no material exposure to environment and social risks, other than in the normal course of business.

Internal Audit

The Board and the Audit Committee are yet to implement an internal audit function.

In the absence of an internal audit function, management regularly review the Group's risk management and internal control processes to ensure that they meet the evolving needs of the business.

Workplace Health and Safety

The Group recognises the importance of workplace health and safety issues and is committed to achieving the highest standards. The Audit Committee facilitates the systematic identification of issues relevant to all workers under the Group's responsibility and ensures effective management of them through the Work, Health and Safety Policy.

Corporate Governance Statement (continued)

Principle 8 – Remunerate fairly and responsibly

The Remuneration Committee's Charter includes setting out the terms and conditions by which the Chief Executive Officer and management remuneration is determined. The Remuneration Committee seeks professional advice from independent external consultants where required. All management receive a base salary and statutory superannuation and are eligible for fringe benefits as well as performance-based and service-based incentives. The Remuneration Committee reviews management remuneration annually, as requested by the Chief Executive Officer, by reference to the Group's performance, individual performance and comparable information from industry sectors and other listed companies in similar industries.

The Group recognises the importance of ensuring that any recommendations given in relation to the remuneration of key management personnel provided by remuneration consultants are provided independently of those to whom the recommendations relate.

Management may be invited to participate in the Company's Equity Incentive Plan, subject to the rules of the Plan. Pursuant to Section 5.3 of the Plan participants must not hedge the value of, or enter into a derivative arrangement in respect of, unvested or vested options.

Consolidated Financial Statements

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021

	Note	2021 $000	2020 $000
Continuing operations			
Revenue	5	113,878	125,958
Contingent labour costs		(100,390)	(110,691)
Gross profit		13,488	15,267
Other income	6	2,632	708
Employee benefits expense		(9,719)	(12,907)
Depreciation and amortisation expense	8	(445)	(893)
Occupancy expense		(631)	(1,578)
Other expenses	8	(2,694)	(4,137)
Profit/ (loss) from continuing operations		2,631	(3,540)
Finance income		1	20
Finance expense		(217)	(512)
Profit/ (loss) from continuing operations before income tax		2,415	(4,032)
Income tax (expense)/ benefit	9	-	255
Profit/ (loss) from continuing operations, net of income tax		2,415	(3,777)
Discontinued operations			
Loss from discontinued operations, net of income tax	10	-	(2,495)
Profit/ (loss) from ordinary activities attributable to the Owners of the Company		2,415	(6,272)
Other comprehensive income/ (loss)			
Items that may be subsequently reclassified to profit or loss:			
Foreign currency translation differences for foreign operations		(1)	316
Income tax on other comprehensive income		-	-
Other comprehensive income/ (loss) for the year, net of income tax		(1)	316
Total comprehensive income/ (loss) for the year attributable to the Owners of the Company		2,414	(5,956)

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2021 (continued)

	Note	2021 Cents	2020 Cents
Ordinary activities			
Basic earnings/ (loss) per share	22	2.70	(7.00)
Diluted earnings/ (loss) per share	22	2.70	(7.00)
Net tangible assets[1] per share	22	5.95	3.22
Continuing operations			
Basic earnings/ (loss) per share	22	2.70	(4.22)
Diluted earnings/ (loss) per share	22	2.70	(4.22)
Net tangible assets[1] per share	22	5.95	3.22
Discontinued operations			
Basic loss per share	22	-	(2.78)
Diluted loss per share	22	-	(2.78)
Net tangible assets[1] per share	22	-	-

1. Net tangible assets includes right-of-use assets.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes to the Consolidated Financial Statements.

Consolidated Statement of Financial Position
As at 30 June 2021

	Note	2021 $000	2020 $000
Current assets			
Cash and cash equivalents	11	87	408
Trade and other receivables	12	12,627	12,589
Total current assets		12,714	12,997
Non-current assets			
Plant and equipment	13	70	131
Right-of-use assets	15	340	691
Intangible assets	14	-	30
Total non-current assets		410	852
Total assets		13,124	13,849
Current liabilities			
Trade and other payables	16	5,670	7,696
Debtor finance facility	17	783	1,187
Lease liabilities	15	335	586
Provisions	18	837	897
Total current liabilities		7,625	10,366
Non-current liabilities			
Lease liabilities	15	58	393
Provisions	18	111	174
Total non-current liabilities		169	567
Total liabilities		7,794	10,933
Net assets		5,330	2,916
Equity			
Contributed equity	20	83,541	83,541
Reserves	21	(96)	(95)
Accumulated losses		(78,115)	(80,530)
Total equity		5,330	2,916

The Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes to the Consolidated Financial Statements.

Consolidated Statement of Changes in Equity
For the year ended 30 June 2021

	Contributed Equity $000	Reserves $000	Accumulated Losses $000	Total $000
Current year				
Balance as at 1 July 2020	83,541	(95)	(80,530)	2,916
Profit for the year attributable to the Owners of the Company	-	-	2,415	2,415
Other comprehensive income/ (loss) for the year				
Foreign currency translation differences for foreign operations	-	(1)	-	(1)
Total comprehensive income/ (loss) for the year attributable to the Owners of the Company	-	(1)	2,415	2,414
Balance as at 30 June 2021	83,541	(96)	(78,115)	5,330
Prior year				
Balance as at 1 July 2019	83,541	(411)	(74,258)	8,872
Loss for the year attributable to the Owners of the Company	-	-	(6,272)	(6,272)
Other comprehensive income/ (loss) for the year				
Foreign currency translation differences for foreign operations	-	316	-	316
Total comprehensive income/ (loss) for the year attributable to the Owners of the Company	-	316	(6,272)	(5,956)
Balance as at 30 June 2020	83,541	(95)	(80,530)	2,916

The Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes to the Consolidated Financial Statements.

Consolidated Statement of Cash Flows
For the year ended 30 June 2021

	Note	2021 $000	2020 $000
Cash flows from operating activities			
Receipts from customers		125,067	150,075
Payments to suppliers and employees		(118,554)	(136,151)
Interest received		1	21
Interest and other borrowing costs paid		(217)	(538)
Government grants and subsidies		2,607	-
Goods and services tax paid		(8,234)	(8,869)
Foreign income tax refund		-	43
Net cash from operating activities	23(a)	670	4,581
Cash flows used in investing activities			
Purchase of plant and equipment	13	(4)	(40)
Proceeds from disposal of financial assets		-	741
Disposal of discontinued operations, net of cash	10(d)	-	(718)
Net cash used in investing activities		(4)	(17)
Cash flows used in financing activities			
Net repayment of debtor finance facility	23(b)	(404)	(4,611)
Payment of lease liabilities	23(b)	(586)	(877)
Net cash used in financing activities		(990)	(5,488)
Net decrease in cash held		(324)	(924)
Cash and cash equivalents at the beginning of the year		408	1,287
Effect of exchange rates on cash holdings in foreign currencies		3	45
Cash and cash equivalents at the end of the year	11	87	408

The Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes to the Consolidated Financial Statements.

Note 1 Reporting Entity

The Company is a for-profit company limited by shares, incorporated and domiciled in Australia. The consolidated financial statements represent the Group as at and for the financial year ended 30 June 2021.

The registered office of the Company is located at Level 2, 55 Wentworth Avenue, Kingston, ACT 2604 and its principal place of business is Mezzanine Level, 3 Spring Street, Sydney, NSW 2000.

Note 2 Basis of Preparation

The consolidated financial statements are general purpose financial statements prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial statements comply with the International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB").

The consolidated financial statements have been prepared under the historical cost convention. All amounts are presented in Australian dollars, unless otherwise noted.

The consolidated financial statements were authorised for issue by the Directors on the 30th day of August 2021.

Going concern

The Directors have prepared the consolidated financial statements on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the discharge of liabilities in the ordinary course of business.

The consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2021 reflects a profit net of income tax from continuing operations of $2,415k (30 June 2020: loss of $3,777k) and the consolidated statement of cash flows reflects cash inflows from operating activities of $670k (30 June 2020: $4,581k). As at 30 June 2021 the consolidated statement of financial position reflects net assets of $5,330k (30 June 2020: $2,916k). The movement in net assets since 30 June 2020 comprises the profit net of income tax from continuing operations of $2,415k and a net foreign currency translation loss of $1k in relation to foreign operations.

AASB 101 Presentation of Financial Statements requires Directors to determine the Group's ability to continue as a going concern for the purposes of preparing the consolidated financial statements.

To assist in determining the Group's ability to continue as a going concern, the Directors have prepared a 15-month cash flow forecast for the period July 2021 to September 2022. The Directors expect the Group to maintain positive net assets at 30 September 2022.

The 15-month cash flow forecast indicates breakeven cash from operating activities over that period. The Group also expects to have sufficient trade receivables at any point in time during that period against which to draw down funds under the debtor finance facility. The Directors, therefore, expect the Group to operate within the overall debtor finance facility limit of $15,000k disclosed at Note 17.

The Directors note that the key assumptions in the cash flow forecast are revenue and days sales outstanding ("DSO"), which drive profitability and cash flow. The Directors further note that contingent labour costs move in line with revenue, so any increase or decrease in revenue results in contingent labour costs moving in the same direction and at the same rate, unless there is a significant improvement or deterioration in the underlying customer margin, which is infrequent. The downside sensitivity of each key assumption has been examined individually.

The Directors note that a sustained 20% reduction in forecast revenue, over the 15-month period to 30 September 2022 across all revenue streams, would result in an increase in the aggregate net cash used in operating activities over the forecast period by $3,081k. The Directors also note that a sustained 5-day deterioration in forecast DSO, over the 15-month period to 30 September 2022 across all revenue streams, would result in an increase in the aggregate net cash used in operating activities over the forecast period by $2,792k.

Note 2 Basis of Preparation (continued)

Going concern (continued)

The Directors are confident the additional working capital required under both scenarios is capable of being funded by the debtor finance facility as and when required during that period.

The Directors have determined the Group will be able to pay its debts as and when they fall due after considering the following relevant factors:

- A continuing focus on improving profitability and cash flows through revenue growth;
- The sensitivity analysis undertaken on the cash flow forecast indicates that even with a sustained 20% reduction in forecast revenue or a sustained 5-day deterioration in forecast DSO, the increased working capital required is capable of being funded by the debtor finance facility as and when required during that period;
- The Group had net assets of $5,330k at 30 June 2021 and is currently expected to maintain positive net assets at 30 September 2022;
- The Directors are continuously reviewing the Group's strategic and capital market options which may include mergers and acquisition activities, asset divestment opportunities and/ or raising capital from shareholders; and
- The existence of the debtor finance facility with ScotPac Business Finance, which expires on 20 February 2023.

In the Directors' opinion, the ability of the Group to continue as a going concern is primarily dependent upon:

- Maintaining revenue and gross profit at the current levels without any material deterioration due to the ongoing economic and trading impact of COVID-19;
- Achieving revenue growth through new senior leadership, additional consultants and new customer acquisition;
- Maintaining cash flows from operating activities at current levels including the collection and ageing of trade receivables without any material deterioration;
- Achieving further reductions in shared services costs where possible;
- Maintaining the ongoing support of the debtor finance facility lender ScotPac Business Finance;
- Obtaining new debt or equity capital, if required, from other sources including shareholders, should working capital shortfalls arise during the forecast period: and
- Ensuring the majority of the Group's offices, staff and contractors are not impacted by COVID-19 infections which could materially impact the Group's revenues and/or operating expenses due to office closures, staff sick leave and/or contractor lay-offs.

The Directors are confident in the Group's ability to achieve the aforementioned and have, therefore, concluded that it is appropriate to adopt, and have adopted, the going concern basis in preparing the consolidated financial statements. The Directors are of the view that the Group will be able to pay its debts as and when they become due from net cash from operating activities and funds from the debtor finance facility.

However, in the event that the Group is unable to achieve successful outcomes in relation to the aforementioned, such circumstances would indicate that a material uncertainty exists that may cast significant doubt as to whether the Group will continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the consolidated financial statements.

The consolidated financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Note 3 Significant Accounting Policies

(a) Principles of consolidation

The Company and its controlled entities are collectively referred to in the consolidated financial statements as the Group. The consolidated financial statements incorporate the assets and liabilities as at 30 June 2021 and the results for the year ended 30 June 2021 for the Group.

The Group controls the controlled entities when it has power over the entities, it is exposed, or has rights, to variable returns from its involvement with the entities and has the ability to affect those returns through its power over the entities. The Group reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the control elements.

Entities are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in the consolidated statement of profit or loss and other comprehensive income.

The acquisition method of accounting is used to account for the acquisition of entities by the Group.

Intercompany transactions, balances and unrealised gains on transactions between entities comprising the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of controlled entities have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, presented as part of equity, represent the portion of an entity's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of controlled entities between the owners of the parent entity and the non-controlling interests based on their respective ownership interests.

(b) Revenue

Revenue is recognised for the major business activities and service lines as follows:

(i) Specialist Recruitment

Specialist recruitment consists of two main revenue streams.

Contingent Labour

Contingent labour revenue comprises the sourcing, engagement and placement of temporary contractors. The sourcing, identification, submission and acceptance of temporary contractors for specified roles at the customer are not considered to be distinct performance obligations from the temporary contractor being engaged by the Group for an agreed period of time and deployed at the customer and are, therefore, accounted for as a single performance obligation. As explained in Note 3(s)(i), management has made a significant judgement to determine that the Group acts as principal in providing the contingent labour services to customers over the duration of the contract.

Consideration received can be variable in nature, based on the duration of the contract arrangement and the labour rate, which may vary based on contractor tenure. The variable consideration is included in the transaction price at the Group's best estimate, using either an expected value or most likely outcome, whichever provides the best estimate and is included in revenue to the extent that it is highly probable that there will be no significant reversal of the cumulative amount of revenue when any pricing uncertainty is resolved.

Revenues are recognised over a period of time as the services of the temporary contractor are provided to the customer. Services provided but not yet billed are recognised as accrued revenue.

Note 3 Significant Accounting Policies (continued)

(b) Revenue (continued)

(i) Specialist Recruitment (continued)

Permanent Recruitment

Permanent recruitment revenue is recognised once the sourcing and placement are completed and the full-time, part-time or fixed-term candidate commences employment with the customer. The sourcing, identification, submission and acceptance of candidates for specified roles at the customer are not considered to be distinct performance obligations from the customer employing the candidate and are, therefore, accounted for as a single performance obligation. Unlike contingent labour services, the Group does not act as principal in providing the ongoing employment services, and as such has no remaining performance obligations once the customer has employed the candidate.

Consideration received can be variable in nature, based on the customer accepting and employing the candidate. The variable consideration is included in the transaction price at the Group's best estimate, based on the most likely outcome determined from the likelihood of customer acceptance, and is included in revenue to the extent that it is highly probable that there will be no significant reversal of the cumulative amount of revenue when any pricing uncertainty is resolved.

Revenues are recognised at a point in time upon customer acceptance and employment of the candidate. Services provided but not yet billed are recognised as accrued revenue.

(ii) On Demand IT Services

On Demand IT Services revenue comprises the delivery of specified information technology skills. The sourcing, identification and engagement of temporary contractors by the Group to deliver specified information technology skills for the customer are not considered to be distinct performance obligations and are, therefore, accounted for as a single performance obligation. As explained in Note 3(s)(i), management has made a significant judgement to determine that the Group acts as principal in providing the contingent labour services to customers over the duration of the contract.

Consideration received can be variable in nature, based on the duration of the contract arrangement and the service rate, which may vary based on volume. The variable consideration is included in the transaction price at the Group's best estimate, using either an expected value or most likely outcome, whichever provides the best estimate and is included in revenue to the extent that it is highly probable that there will be no significant reversal of the cumulative amount of revenue when any pricing uncertainty is resolved.

Revenues are recognised over a period of time as the services are provided to the customer. Services provided but not yet billed are recognised as accrued revenue.

(iii) People Services

People Services revenue comprises the development and delivery of outsourced recruitment and human resource consulting services. The development and delivery of the services for the customer are not considered to be distinct performance obligations and are therefore, accounted for as a single performance obligation. As explained in Note 3(s)(i), management has made a significant judgement to determine that the Group acts as principal in providing the contingent labour services to customers over the duration of the contract.

Consideration received can be variable in nature, based on the duration of the contract arrangement and the service rate, which may vary based on volume. The variable consideration is included in the transaction price at the Group's best estimate, using either an expected value or most likely outcome, whichever provides the best estimate and is included in revenue to the extent that it is highly probable that there will be no significant reversal of the cumulative amount of revenue when any pricing uncertainty is resolved.

Revenues are recognised over a period of time as the services are provided to the customer. Services provided but not yet billed are recognised as accrued revenue.

Note 3 Significant Accounting Policies (continued)

(b) Revenue (continued)

(iv) Interest Income

Interest income is recognised on a time proportion basis using the effective interest method.

(c) Income tax

Income tax expense comprises current and deferred tax. The charge for current income tax expense is based on profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the reporting date.

Deferred income tax is recognised in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting profit or loss or taxable income.

Deferred income tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability settled. Deferred tax is recorded in the consolidated statement of profit or loss and other comprehensive income except where it relates to items that may be recorded directly to equity, in which case the deferred tax is recorded directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future taxable income will be available against which they can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the Group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

(d) Goods and services tax

Revenues, 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 Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST. The GST components of cash flows arising from investing or financing activities that are recoverable from or payable to the Australian Taxation Office are presented as operating cash flows.

(e) Foreign currency translation

(i) Functional and Presentational Currency

Items included in the financial statements of each entity that is included in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The consolidated financial statements are presented in Australian dollars, which is the parent entity's functional and presentational currency.

(ii) Currency Translation

In preparing the financial statements of each entity, transactions in currencies other than the entity's functional currency (“foreign currencies”) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each financial year, monetary items denominated in foreign currencies are translated at the exchange rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the exchange rates prevailing at the date when the fair value was determined.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise.

Note 3 Significant Accounting Policies (continued)

(e) Foreign currency translation (continued)

(iii) Foreign Operations

The results and financial position of all the entities included in the Group (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities are translated at the exchange rates at the reporting date;
- Income and expenses are translated at average exchange rates during the financial year unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions;
- All resulting exchange differences are recognised in other comprehensive income/ (loss) and presented in the foreign currency translation reserve in equity; and
- Goodwill and fair value adjustments arising from the acquisition of a foreign entity are treated as assets and liabilities of a foreign entity and translated at the exchange rates at the reporting date.

(f) Financial instruments

(i) Classification

Financial Assets

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Financial assets comprise cash and cash equivalents and trade and other receivables on the consolidated statement of financial position.

Financial Liabilities

Non-derivative financial liabilities are initially recognised at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost. Financial liabilities comprise trade and other payables, lease liabilities and the debtor finance facility on the consolidated statement of financial position.

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and options are recognised as a deduction from equity, net of any tax effects.

(ii) Recognition and Derecognition

Regular purchases and sales of financial assets are recognised or derecognised on trade-date being the date on which the Group commits to purchase or derecognise the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(g) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Value in use is the net present value of the future cash inflows. It is determined using a present value model based on management's estimate of future net cash inflows from continued use, including movements in working capital and subsequent disposal of assets. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (“cash generating units”). Impairment losses in respect of goodwill are not reversed.

Note 3 Significant Accounting Policies (continued)

(h) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash includes cash on hand with banks or financial institutions that are at call or readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(i) Trade receivables

Trade receivables and contract assets (accrued revenue) are recognised initially at fair value and subsequently at carrying value less any loss allowance. Trade receivables are generally due for settlement within 30 to 90 days depending on customer trading terms.

The credit loss allowance for trade receivables is measured at an amount equal to the lifetime expected credit losses for each group of debtors. Debtors are grouped based on shared credit risk characteristics and the days past due.

The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of each group of debtors, adjusted for factors that are specific to a debtor including their current financial position, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

Age of trade receivables	Current	1 - 30 days	30 - 60 days	60 - 90 days	> 90 days
Historical loss rate	0.07%	0.35%	1.29%	16.12%	23.00%

The Group has recognised a credit loss allowance at the reporting date of $27k (2020: $Nil) as the provision matrix calculation indicated an expected credit loss against trade receivables. Further details are provided in Notes 4(b) and 12.

The amount of any credit loss allowance is recognised in the consolidated statement of profit or loss and other comprehensive income. When a trade receivable for which a credit loss allowance has been recognised becomes uncollectable in a subsequent period, it is written-off against the loss allowance. Subsequent recoveries of amounts previously written-off are credited in the consolidated statement of profit or loss and other comprehensive income.

The Group writes-off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed into liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written-off are subject to enforcement activities.

(j) Plant and equipment

Plant and equipment is brought to account at cost less, where applicable, any accumulated depreciation and any accumulated impairment loss. The carrying amount of plant and equipment is reviewed annually to ensure it is not in excess of its recoverable amount.

The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows are discounted to their present values in determining recoverable amounts.

Furniture, fixtures and equipment are depreciated over their useful life to the Group commencing from the time the assets are held ready for use. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements. The cost method of accounting is used for all acquisition of assets. Cost is determined as the fair value of the consideration at the date of acquisition plus costs directly attributable to bringing the asset to a working condition for its intended use.

The gain or loss on disposal of all plant and equipment is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal and is included in profit or loss in the year of disposal.

Note 3 Significant Accounting Policies (continued)

(j) Plant and equipment (continued)

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

Class of asset	Rate	Method
Furniture, fixtures and equipment	9% - 60%	Straight Line
Leasehold improvements	11% - 50%	Straight Line

(k) Intangible assets

Software development costs are capitalised where it is expected they will contribute to a future period financial benefit through revenue generation and/or expenditure reduction. Otherwise, such costs are expensed in the period in which they are incurred. Capitalised software development costs include external direct costs of materials and services and direct payroll and payroll related costs of employee time spent on the project. These costs are amortised over periods between 3 and 5 years on the basis of the expected useful life of the resulting software.

Unamortised costs are reviewed at each reporting date to determine the amount (if any) that is no longer recoverable and any amount so identified is written-off.

(l) Provisions

Provisions are recognised when the Group has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

(i) Recruitment Services Under Guarantee

A provision is recognised to represent the liability associated with refunds for permanent placement fall-outs within the guarantee period provided to customers. This is based on the average permanent placement fees and historical experience with fall-outs.

(ii) Make Good on Leased Premises

A provision is recognised for the expected cost to restore leased premises to their original condition at the expiration of the lease. The provision is based on an estimate of the costs to fulfil the obligations within individual leases.

(m) Employee benefits

(i) Employment

Provision is made for the liability for employee benefits arising from services rendered by employees up to the reporting date. Short-term employee benefits expected to be settled within one year together with entitlements arising from wages, salaries and annual leave have been measured as the amounts expected to be paid when the liability is settled plus related on-costs. Other long-term employee benefits payable and long service leave expected to be settled in more than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Group on behalf of employees to defined contribution superannuation funds and are charged as expenses when incurred.

Note 3 Significant Accounting Policies (continued)

(m) Employee benefits (continued)

(ii) Share Based Payments

The fair value of options granted is recognised as an employee benefits expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options.

The employee benefits expense recognised in the equity reserve is based on the revised number of options that have vested at the reporting date. The impact of the revision to original estimates, if any, is recognised in the consolidated statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

(iii) Termination

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of when the offer of the termination benefit can no longer be withdrawn and when the costs for a restructuring that is within the scope of AASB 137 Provisions, Contingent Liabilities and Contingent Assets involving the payment of a termination benefit is recognised. If the termination benefits are payable more than 12 months after the reporting date, they are discounted to their present value.

(n) Leases

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period in exchange for consideration. The Group leases office premises and office equipment for fixed periods of 1 month to 3 years.

(i) The Group as Lessee

The Group assesses whether a contract is, or contains, a lease at inception of the contract, and recognises a right-of-use asset and a corresponding lease liability with respect to each lease contract in which it is the lessee, except for short-term leases and leases of low value assets. The Group also applies the practical expedient excluding initial direct costs in the measurement of the right-of-use asset at the date of initial application.

(ii) The Group as Lessor

Leases are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

(iii) Extension and Termination Options

Certain leases for office premises include extension and termination options that are used to maximise operational flexibility in managing the assets used in the Group's operations. All the extension and termination options held are exercisable only by the Group and not by the relevant lessor. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options are only included in the lease term if the lease is reasonably certain to be extended and not terminated. At the date of initial application, the Group decided not to include the extension options or the periods after termination of the current leases.

(iv) Short-term Leases

For leases with a term of less than twelve months in which it is the lessee, the Group applies the practical expedient that allows companies to recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which the economic benefits from the leased assets are consumed.

Note 3 Significant Accounting Policies (continued)

(n) Leases (continued)

(v) Right-of-Use Asset

The right-of-use asset is presented as a separate line in the consolidated statement of financial position.

The right-of-use asset comprises the initial measurement of the corresponding lease liability and lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. It is subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under AASB 137 Provisions, Contingent Liabilities and Contingent Assets. Where there is a carrying amount of the asset relating to the provision recognised under AASB 137, the asset is reclassified and included in the right-of-use asset.

A right-of-use asset is depreciated over the shorter of the lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation begins at the commencement date of the lease.

The carrying amount of the right-of-use assets is reviewed annually to ensure it is not in excess of its recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets' employment and subsequent disposal. The expected net cash flows are discounted to their present values in determining recoverable amounts.

(vi) Lease Liability

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the interest rate implicit in the lease. If this interest rate cannot be readily determined, the Group uses its incremental borrowing rate.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the right-of-use asset and the lease liability. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in “Other expenses” in the consolidated statement of profit or loss and other comprehensive income.

Contracts may contain both lease and non-lease components. The Group has elected to adopt the practical expedient that permits a lessee not to separate lease and non-lease components of a lease and instead account for them as a single lease arrangement.

Contracts are negotiated on an individual basis and contain a range of terms and conditions. Office lease contracts do not impose any covenants other than the provision of security deposits in the form of bank guarantees held by the lessor and restitution and rectification obligations on the lessee at termination.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments.

Note 3 Significant Accounting Policies (continued)

(n) Leases (continued)

(vi) Lease Liability (continued)

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payment change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(o) Current and non-current classification

Assets and liabilities are presented in the consolidated statement of financial position based on current and non-current classifications.

An asset is classified as current when:

- It is expected to be realised or intended to be sold or consumed in the Group's normal operating cycle;
- It is held primarily for the purposes of trading;
- It is expected to be realised within 12 months of the reporting date; or
- The asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

A liability is classified as current when:

- It is expected to be settled in the Group's normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within 12 months of the reporting date; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

(p) Discontinued operations

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the consolidated statement of profit or loss and other comprehensive income.

(q) Earnings/ (loss) per share

(i) Basic Earnings/ (Loss) per Share

Basic earnings/ (loss) per share is calculated by dividing the profit or loss attributable to equity holders of the Company, 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.

Note 3 Significant Accounting Policies (continued)

(q) Earnings/ (loss) per share (continued)

(ii) Diluted Earnings/ (Loss) per Share

Diluted earnings/ (loss) per share is calculated by dividing the profit or loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for the effects of all dilutive potential ordinary shares which comprise relevant share options granted to employees.

Potential ordinary shares are anti-dilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations. The calculation of diluted earnings/ (loss) per share does not assume conversion, exercise, or other issue of potential ordinary shares that would have an anti-dilutive effect on earnings per share.

(r) Dividends

A provision is recognised for dividends when they have been declared, determined or publicly recommended by the Directors on or before the end of the financial year but not distributed at the reporting date.

(s) Critical accounting estimates and judgements

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

In preparing these consolidated financial statements, the significant judgements made by the Directors in applying the Group's accounting policies and the key sources of estimation uncertainty are described below.

(i) Revenue Recognition

The main area of judgement in revenue recognition relates to the recognition of contingent labour arrangements where the Group acts on a principal (gross) basis rather than an agent (net) basis.

The factors considered by the Directors, on a contract by contact basis, when concluding the Group is acting as principal rather than agent are as follows:

- The customer has a direct relationship with the Group;
- The Group has the primary responsibility for providing the services to the customer and engages and contracts directly with the contractor; and
- The Group has latitude in establishing the rates directly or indirectly with all parties.

(ii) Income Taxes

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Judgement is required in determining the Group's provision for income taxes.

(iii) Expected Credit Losses

When measuring expected credit losses, the Directors use reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Credit losses recognised in relation to continuing operations over the last three years have been negligible. The Directors have estimated expected credit losses at the reporting date based on the provision matrix disclosed in Note 3(i).

The measurement of expected credit losses is a function of the probability of default, loss given default and the exposure at default. Probability of default constitutes a key input in measuring expected credit loss. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the Group would expect to receive. Exposure at default is represented by the carrying value of trade receivables at the reporting date.

Note 3 Significant Accounting Policies (continued)

(s) Critical accounting estimates and judgements (continued)

(iv) Leases

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

(v) Going Concern

The Directors have prepared the consolidated financial statements on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the discharge of liabilities in the ordinary course of business. In making this assessment the Directors applied significant judgement in reviewing the profit and loss and cash flow forecasts, undertaking sensitivity analysis of those forecasts and understanding the capacity of the debtor finance facility to support the Group's working capital requirements. Refer to Note 2 for the going concern assessment.

Furthermore, the consolidated financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities, as the Directors are of the opinion that the consolidated financial statements should be prepared on the going concern basis.

(t) Rounding of amounts

The Company has applied the relief available under ASIC Corporations (Rounding in Financials/ Directors' Reports) Instrument 2016/191 dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the financial report have been rounded to the nearest thousand dollars or in certain cases to the nearest dollar, unless otherwise indicated. Auditors', Directors' and executive remuneration has been rounded to the nearest dollar.

(u) New accounting standards and interpretations

(i) New and Revised AASB Standards Affecting Disclosures and/or Amounts Reported in the Consolidated Financial Statements

The Group has adopted all new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (“AASB”) that are relevant to its operations and effective for the current financial year. The application of these amendments does not have any material impact on the disclosures and/ or the amounts recognised in the consolidated financial statements.

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business;
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material;
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework;
- AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform;
- AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia; and
- AASB 2020-4 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions.

Note 3 Significant Accounting Policies (continued)

(u) New accounting standards and interpretations (continued)

(ii) Impact of the Application of New and Revised AASB Standards and Interpretations in Issue but Not Yet Effective

The Directors have considered the impact of all new and revised AASB Standards and Interpretations and concluded that the application of these amendments is not expected to have any material impact on the disclosures and/ or the amounts recognised in the consolidated financial statements, and do not intend to adopt any of these pronouncements before their effective date. At the date of authorisation of the consolidated financial statements the standards listed below were in issue but not yet effective and were relevant to the Group.

Standard mandatory beyond 30 June 2021	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current	1 January 2022	30 June 2023
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2022	30 June 2023
AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current - Deferral of Effective Date	1 January 2022	30 June 2023
AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2	1 January 2021	30 June 2022
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	1 January 2023	30 June 2024
AASB 2021-3 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions Beyond 30 June 2021	1 April 2021	30 June 2022

(v) Comparatives

Certain comparative amounts, which are not deemed to be material, have been disclosed or reclassified where necessary to provide consistency with current period disclosures.

(w) Government grants

In accordance with AASB 120 Accounting for Government Grants and Disclosure of Government Assistance, government grants are recognised at their fair value where there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Specifically, the Federal Government JobKeeper Payment subsidies received are presented as “other income” in profit or loss when the eligibility criteria are met and wages paid according to the requirements of the scheme. The “top-up” wage payments made in accordance with the scheme are recognised as “employee benefits expense” in profit or loss. Further details are provided in Note 6.

Note 4 Financial Risk Management

The Board of Directors of the Company (the "Board") has a formally constituted Board Audit, Risk and Compliance Committee (the "Committee"), which operates under a charter approved by the Board. The Committee's objectives are to assist the Board in safeguarding integrity in financial reporting, making timely and balanced disclosure to shareholders and potential shareholders in accordance with the principles of continuous disclosure, and recognising and managing risk.

In meeting these objectives, the Committee is responsible for, among other matters, identifying, monitoring and assessing the Group's internal control framework and risk management strategies and processes in relation to specific risks categorised as financial, economic, operational, compliance, intellectual capital, security and human capital.

The risks of the Group are periodically assessed and the Committee, with management, agree on risk mitigation strategies, including monitoring and reporting.

In regard to financial risk, the Group has identified potential exposure to:

- Market risk (including foreign exchange risk and foreign currency risk);
- Credit risk; and
- Liquidity risk.

The Group uses a variety of methods to measure these financial risks including sensitivity analysis for market risks, ageing analysis and pre-trade credit assessment for credit risks, cash flow forecasting and debtor finance facility monitoring for liquidity risks. The Group holds the following financial instruments:

		Consolidated	
		2021	2020
	Note	$000	$000
Financial assets measured at amortised cost			
Cash and cash equivalents	11	87	408
Trade receivables (net of loss allowance)	12	8,080	7,578
Accrued revenue	12	3,888	4,372
Other receivables	12	86	165
Term deposits	12	242	242
Total financial assets		12,383	12,765
Financial liabilities measured at amortised cost			
Trade payables	16	2,361	4,503
Other payables	16	512	286
Lease liabilities	15	393	979
Debtor finance facility	17	783	1,187
Total financial liabilities		4,049	6,955

(a) Market risk

(i) Foreign Exchange Risk

The Group operates internationally and is primarily exposed to foreign exchange risk arising from foreign currency exposures to the New Zealand dollar ("NZD").

Note 4 Financial Risk Management (continued)

(a) Market risk (continued)

(ii) Foreign Currency Risk

To limit the exposure to foreign currency risk, the Group's foreign controlled entities' transactions are carried out in their local currency such that cash inflows and outflows are largely offset to minimise the impact of foreign currency translation. The Group does not undertake any hedging activities with respect to day-to-day foreign currency exposures. The Group's exposure to foreign currency risk based on notional amounts follows.

	2021 NZD $000	2020 NZD $000
Cash and cash equivalents	84	431
Trade and other receivables	565	343
Trade and other payables	(46)	(36)
Net exposure on consolidated statement of financial position	603	738

The following foreign exchange rates applied during the financial year.

	Average Rate		Year End Spot Rate	
	2021	2020	2021	2020
CNY[1]	N/A	4.798	N/A	4.776
HKD[1]	N/A	5.340	N/A	5.333
NZD	1.075	1.056	1.075	1.071

1. For the Chinese Yuan ("CNY") and the Hong Kong Dollar ("HKD"), the average foreign exchange rates were for the period 1 July 2019 to 18 November 2019 and the year-end spot foreign exchange rates were as at 18 November 2019, the date when the Group disposed of the China business.

(iii) Currency Sensitivity on Group

The following table details the Group's sensitivity to a 10% increase and a 10% decrease in the relevant foreign currency against the Australian dollar. A 10% sensitivity represents management's assessment of the reasonably possible movement in foreign exchange rates.

Impact of a 10% increase in foreign currency against consolidated balances	CNY $000	HKD $000	NZD $000
30 June 2021			
Net current financial assets	-	-	56
Impact on net profit/ (loss) after tax from ordinary activities	-	-	(20)
30 June 2020			
Net current financial assets	-	-	69
Impact on net profit/ (loss) after tax from ordinary activities[1]	273	(25)	80

2. The impact on net loss after tax from ordinary activities from movements in the Chinese Yuan ("CNY") and the Hong Kong Dollar ("HKD") was determined using the average foreign exchange rates for the period 1 July 2019 to 18 November 2019, the date when the Group disposed of the China business.

Note 4 Financial Risk Management (continued)

(a) Market risk (continued)

(iii) Currency Sensitivity on Group (continued)

Impact of a 10% decrease in foreign currency against consolidated balances	CNY $000	HKD $000	NZD $000
30 June 2021			
Net current financial assets	-	-	(56)
Impact on net profit/ (loss) after tax from ordinary activities	-	-	20
30 June 2020			
Net current financial assets	-	-	(69)
Impact on net profit/ (loss) after tax from ordinary activities[1]	(273)	25	(80)

1. The impact on net loss after tax from ordinary activities from movements in the Chinese Yuan ("CNY") and the Hong Kong Dollar ("HKD") was determined using the average foreign exchange rates for the period 1 July 2019 to 18 November 2019, the date when the Group disposed of the China business.

(iv) Cash Flow and Fair Value Interest Rate Risk

The Group's policy is to utilise its debtor finance facility to accommodate its working capital requirements that vary with its pay and bill cycles whilst minimising its interest costs. At the reporting date the Group had the following variable rate borrowings.

	Weighted Average Interest Rate		Balance	
	2021 %	2020 %	2021 $000	2020 $000
Debtor finance facility (Note 17)	6.9	6.9	783	1,187

(v) Group Sensitivity

	1% Increase in Weighted Average Interest Rate		1% Decrease in Weighted Average Interest Rate	
	2021 $000	2020 $000	2021 $000	2020 $000
Impact on net profit/ (loss) after tax	(6)	(35)	6	35

(vi) Price Risk

The Group does not hold any investments in equities or commodities and is therefore not subject to price risk for any recognised financial assets.

Note 4 Financial Risk Management (continued)

(b) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from credit exposures to customer trade receivables. Independent credit assessments are used for all new customers and only those with a low risk of default rating are accepted. If there is insufficient credit history to provide an accurate rating, other factors such as assessment of financial position, nature of proposed transactions and directors' personal guarantees are considered.

Compliance to credit limits is monitored internally by the Group's management. Trade receivable ageing reports are submitted regularly to the Board for review.

The Group maintains standard credit terms in its terms and conditions. Some preferred supplier agreements dictate longer payment terms, however, the credit risk remains unaffected.

The carrying value of trade receivables less loss allowance is considered a reasonable approximation of fair value due to their short-term nature.

The Group has recognised a credit loss allowance at the reporting date of $27k (2020: $Nil) as the provision matrix calculation indicated an expected credit loss against trade receivables. Further details are provided in Notes 3(i) and 12.

Trade Receivables

The following table demonstrates the Group's aged trade receivables at the reporting date aged from their due dates.

	Trade Receivables Aged From Due Date					
	Current	1-30 Days	31-60 Days	61-90 Days	90+ Days	Total
	$000	$000	$000	$000	$000	$000
30 June 2021						
Trade receivables	7,472	423	126	23	63	8,107
	92%	5%	2%	0%	1%	100%
30 June 2020						
Trade receivables	6,967	505	85	21	-	7,578
	92%	7%	1%	0%	0%	100%

(c) Liquidity risk

The Group manages liquidity risk by monitoring daily and weekly cash flows and ensuring that adequate finance facilities are maintained. The Group maintains cash and cash equivalents and its debtor finance facility to meet its liquidity requirements and raises equity as and when required. Funding for long-term liquidity needs is secured by having adequate finance facilities in place.

Compliance with the debtor finance facility obligations is monitored as part of the cash flow management process. Refer to Note 17 for a summary of the debtor finance facility at the reporting date.

Customers based in Australia account for 94% (2020: 97%) of trade receivables. The amount due from the largest customer at 30 June 2021 was $670k (2020: $1,727k).

The carrying value of trade and other payables is considered a reasonable approximation of fair value due to their short-term nature. Trade payables are settled within six months.

Note 5 Disaggregation of Revenue

The Group derives its revenue from the transfer of services over time and at a point in time through the following service lines and geographic regions. This is consistent with the revenue information that is disclosed for each reportable segment under AASB 8 Segment Reporting as disclosed in Note 7. Revenue information for continuing operations for the financial year is as follows.

	Consolidated	
	2021	2020
	$000	$000
Timing of revenue recognition - over time		
Contingent labour Australia and New Zealand	103,787	113,025
On demand information technology services Australia and New Zealand	8,038	9,241
Outsourced recruitment and human resource consulting services Australia	1,173	2,240
	112,998	124,506
Timing of revenue recognition - at a point in time		
Permanent recruitment Australia	880	1,452
Total revenue	113,878	125,958

Note 6 Other Income

The Group recognised other income for the financial year as follows.

	Consolidated	
	2021	2020
	$000	$000
JobKeeper Payment subsidies[1]	2,607	-
Sundry income	25	708
	2,632	708

1. The Company became eligible for the Australian Federal Government JobKeeper Payment subsidies for eligible staff and contractors in June 2020 and met the AASB 120 revenue recognition criteria in July 2020. During the financial year the Australian Taxation Office paid the Company a total of $2,607k in JobKeeper Payment subsidies.

Note 7 Segment Reporting

The Group is organised around three operating segments across two geographic regions, which are all labour related. These segments are Specialist Recruitment, On Demand IT Services and People Services in Australia and New Zealand. Segment information for continuing operations for the financial year is as follows.

(a) Segments

The Group determines and presents operating segments based on the information that is provided internally to the Board who are the Group's chief operating decision maker.

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the other Group's other components. All operating segment results are reviewed regularly by the Board in order to assess the performance of each segment and make decisions about the allocation of resources.

Note 7 Segment Reporting (continued)

(a) Segments (continued)

	Specialist Recruitment		On Demand IT Services		People Services		Corporate[1]		Consolidated	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	$000	$000	$000	$000	$000	$000	$000	$000	$000	$000
Revenue	104,659	114,477	8,046	9,241	1,173	2,240	-	-	113,878	125,958
Profit/ (loss) before tax	4,624	2,552	841	252	(19)	616	2,551	-	7,997	3,420
Less: Corporate overheads									(5,582)	(7,452)
Consolidated profit/ (loss) before tax									2,415	(4,032)

1. Profit before tax reflects the JobKeeper Payment subsidies received less payment of "top-up" wages to eligible staff and contractors.

	Australia		New Zealand		Consolidated	
	2021	2020	2021	2020	2021	2020
	$000	$000	$000	$000	$000	$000
Revenue	112,690	124,406	1,188	1,552	113,878	125,958
Finance income	1	20	-	-	1	20
Total income	112,691	124,426	1,188	1,552	113,879	125,978
Non-current assets	410	852	-	-	410	852

(b) Segment accounting policies

Segment information is prepared in accordance with the accounting policies of the Group as disclosed in Note 7(a) and accounting standard AASB 8 Segment Reporting. During the financial year, there were no changes in segment accounting policies that had a material effect on the segment information.

(c) Income

The Group derived income from the provision of contingent labour and permanent recruitment services, on demand information technology services and outsourced recruitment and human resource consulting services for government and non-government entities in Australia and New Zealand.

(d) Inter-segment transactions

The pricing of inter-segment transactions is on the same basis as prices charged on transactions with parties outside the Group. Such transactions are eliminated on consolidation, except for margin earned on transactions where the services will ultimately be provided outside the Group.

(e) Information about major customers

Included in revenue arising from Specialist Recruitment in Australia and New Zealand of $104,659k (2020: $114,477k) are revenues of approximately $31,819k (2020: $23,032k) which arose from sales to the Group's three largest customers. The largest customer contributed $17,886k (2020: $11,018k), the second largest customer $7,051k (2020: $6,640k) and the third largest customer accounted for $6,882k (2020: $5,374k). No other single customer contributed 5% or more to the Group's revenue for 2021.

Note 8 Expenses

The details of expenses for continuing operations during the financial year are set out below.

	Consolidated	
	2021	2020
	$000	$000
Depreciation and amortisation expense		
Furniture, fixtures and equipment	43	106
Leasehold improvements	21	132
Capitalised software development costs	30	160
Property right-of-use assets	331	475
Equipment right-of-use assets	20	20
Total depreciation and amortisation expense	445	893
Other expenses		
Loss allowance	27	-
Consultancy fees	333	606
Professional fees	179	475
Facilities expenses	83	214
Insurances	393	368
Marketing and advertising	307	317
Software licences and subscription services	941	1,267
Other operating overheads	431	890
Total other expenses	2,694	4,137
Payments to defined contribution superannuation plans	682	947

Note 9 Income Tax Expense

	Consolidated	
	2021	2020
	$000	$000
The prima facie tax (expense)/ benefit on profit/ (loss) before income tax for continuing operations is reconciled as follows:		
Prima facie tax (expense)/ benefit on profit/ (loss) before income tax at 30%	(725)	1,210
Add tax effect of:		
Non-deductible expenses	(18)	(118)
Current year losses for which no deferred tax asset is recognised	-	(1,075)
Foreign tax provision adjustment	-	255
Foreign tax rate adjustment	-	(17)
Prior year tax losses utilised in the current year	743	-
Total income tax (expense)/ benefit	-	255

Note 10 Disposal of Subsidiaries

There were no discontinued operations during the financial year. In the previous financial year, the Company's wholly owned Hong Kong subsidiary Lloyd Morgan Limited sold 100% of its subsidiary Lloyd Morgan Hong Kong Limited on 18 November 2019.

(a) Results of discontinued operations

	2021 $000	2020 $000
Revenue	-	2,032
Employee benefits expense	-	(2,561)
Depreciation and amortisation expense	-	(445)
Occupancy expense	-	(140)
Other expenses	-	(499)
Loss from discontinued operations	-	(1,613)
Finance income	-	1
Finance expense	-	(25)
Loss from discontinued operations before income tax	-	(1,637)
Income tax expense	-	-
Loss from discontinued operations, net of income tax expense	-	(1,637)
Loss on disposal of discontinued operations	-	(858)
Income tax on disposal of discontinued operations	-	-
Loss net of income tax expense	-	(2,495)

(b) Disposal of discontinued operations

	2021 $000	2020 $000
Consideration received	-	-
Net assets disposed	-	(605)
Loss on disposal before income tax	-	(605)
Reclassification of foreign currency translation reserves	-	(253)
Loss on disposal of discontinued operations	-	(858)

(c) Cash flows used in discontinued operations

	2021 $000	2020 $000
Net cash used in operating activities	-	(123)
Net cash used in investing activities	-	(721)
Net cash used in financing activities	-	(390)
Net decrease in cash for the period	-	(1,234)

Note 10 Disposal of Subsidiaries (continued)

(d) Effect of disposal of discontinued operations on the financial position of the Group

	2021 $000	2020 $000
Carrying amount of assets and liabilities disposed		
Cash and cash equivalents	-	718
Trade and other receivables	-	712
Plant and equipment	-	208
Right-of-use assets	-	1,788
Trade and other payables	-	(744)
Lease liabilities	-	(1,803)
Provisions	-	(274)
Net assets disposed	-	605
Consideration received	-	-
Cash and cash equivalents disposed	-	718
Net cash outflow	-	718

Note 11 Cash and Cash Equivalents

	Consolidated	
	2021 $000	2020 $000
Cash at bank and on hand	87	408

Note 12 Trade and Other Receivables

	Consolidated	
	2021 $000	2020 $000
Trade receivables	8,107	7,578
Loss allowance	(27)	-
Net trade receivables	8,080	7,578
Accrued revenue	3,888	4,372
Prepayments	331	232
Other receivables	86	165
Term deposits	242	242
Total trade and other receivables	12,627	12,589

All trade and other receivables are current and are non-interest bearing. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value due to their short-term nature. Term deposits refers to those amounts required to secure the bank guarantees in respect of leases disclosed at Note 15. Refer to the disclosure in Note 4 regarding financial risk management.

Note 12 Trade and Other Receivables (continued)

(a) Movement in expected credit losses

	Consolidated	
	2021	2020
	$000	$000
Balance at the beginning of the year	-	287
Expected credit loss recognised during the year	27	19
Amounts derecognised due to disposal of China business	-	(306)
Balance at the end of the year	27	-

The Group has recognised a credit loss allowance at the reporting date of $27k (2020: $Nil) as the provision matrix calculation indicated an expected credit loss against trade receivables. Further details are provided in Notes 3(i) and 4(b).

The amount of the credit loss allowance is recognised in the consolidated statement of profit or loss and other comprehensive income. When a trade receivable for which a loss allowance has been recognised becomes uncollectable in a subsequent period, it is written-off against the loss allowance. Subsequent recoveries of amounts previously written-off are credited in the consolidated statement of profit or loss and other comprehensive income.

The Group writes-off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed into liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written-off are subject to enforcement activities.

(b) Past due but not written-off

At the reporting date, trade receivables of $635k were past due but not impaired. The ageing analysis of these past due but not impaired trade receivables is as follows.

	Past Due But Not Impaired Trade Receivables Aged From Due Date				
	1-30 Days	31-60 Days	61-90 Days	90+ Days	Total
	$000	$000	$000	$000	$000
30 June 2021					
Trade receivables	423	126	23	63	635
30 June 2020					
Trade receivables	505	85	21	-	611

Note 13 Plant and Equipment

	Consolidated	
	2021	2020
	$000	$000
Furniture, fixtures and equipment, at cost	254	729
Accumulated depreciation	(217)	(652)
Furniture, fixtures and equipment, net book value	37	77
Leasehold improvements, at cost	478	1,502
Accumulated depreciation	(445)	(1,448)
Leasehold improvements, net book value	33	54
Total plant and equipment, net book value	70	131

Movements in carrying amounts

	Furniture, Fixtures and Equipment	Leasehold Improvements	Total
	2021	2021	2021
	$000	$000	$000
Balance at the beginning of the year	77	54	131
Additions	4	-	4
Disposals	(479)	(1,024)	(1,503)
Accumulated depreciation on disposed assets	478	1,024	1,502
Impairment	-	-	-
Depreciation expense	(43)	(21)	(64)
Balance at the end of the year	37	33	70
	2020	2020	2020
	$000	$000	$000
Balance at the beginning of the year	322	274	596
Additions	32	54	86
Reclassification from intangible assets	4	-	4
Disposals	(490)	(668)	(1,158)
Accumulated depreciation on disposed assets	473	668	1,141
Disposals related to discontinued operations	(99)	(109)	(208)
Impairment	(45)	(12)	(57)
Depreciation expense	(124)	(160)	(284)
Effect of movements in exchange rates	4	7	11
Balance at the end of the year	77	54	131

Note 14 Intangible Assets

	Consolidated	
	2021	2020
	$000	$000
Capitalised software development, at cost	2,429	2,460
Accumulated amortisation	(2,429)	(2,430)
Total intangible assets, net book value	-	30

Movements in carrying amounts

	2021	2020
	$000	$000
Balance at the beginning of the year	30	192
Additions	-	-
Reclassification to plant and equipment	-	(4)
Disposals	(30)	(526)
Accumulated amortisation on disposed assets	30	527
Amortisation expense	(30)	(160)
Effect of movements in exchange rates	-	1
Balance at the end of the year	-	30

Intangible assets have finite useful lives. The current year amortisation expense in respect of intangible assets is included under depreciation and amortisation expense in the consolidated statement of profit or loss and other comprehensive income.

Note 15 Leases

(a) Amounts recognised in the consolidated statement of financial position

Right-of-Use Assets

	Consolidated	
	2021	2020
	$000	$000
Property right-of-use assets, at cost	935	1,295
Accumulated depreciation	(629)	(658)
Property right-of-use assets, net book value	306	637
Equipment right-of-use assets, at cost	74	74
Accumulated depreciation	(40)	(20)
Equipment right-of-use assets, net book value	34	54
Total right-of-use assets, net book value	340	691

Note 15 Leases (continued)

Movements in carrying amounts

	Property	Equipment	Total
	2021	2021	2021
	$000	$000	$000
Balance at the beginning of the year	637	54	691
Additions	4	-	4
Disposals	(364)	-	(364)
Accumulated depreciation on disposed assets	360	-	360
Depreciation expense	(331)	(20)	(351)
Balance at the end of the year	306	34	340

	Property	Equipment	Total
	2020	2020	2020
	$000	$000	$000
Balance at the beginning of the year	3,096	74	3,170
Additions	411	-	411
Disposals	(2,212)	-	(2,212)
Accumulated depreciation on disposed assets	441	-	441
Impairment	(225)	-	(225)
Depreciation expense	(874)	(20)	(894)
Balance at the end of the year	637	54	691

Lease Liabilities

	Consolidated	
	2021	2020
	$000	$000
Maturity analysis - contractual undiscounted cash flows		
Less than six months	209	285
Six months to one year	143	356
One to five years	59	411
Total undiscounted lease liabilities	411	1,052
Lease liabilities included in the consolidated statement of financial position		
Current	335	586
Non-current	58	393
Total lease liabilities	393	979

(b) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income for continuing operations

	Consolidated	
	2021	2020
	$000	$000
Depreciation expense on right-of-use assets	351	495
Interest expense on lease liabilities	55	79
Expense relating to short-term leases	631	1,577
Expense relating to lease of low value asset	-	1
Total amount recognised in profit or loss	1,037	2,152

Note 15 Leases (continued)

(c) Amounts recognised in the consolidated statement of cash flows for continuing operations

	Consolidated	
	2021	2020
	$000	$000
Total cash outflow for leases	1,272	2,561

(d) Qualitative information on leases

See Note 3(n).

Note 16 Trade and Other Payables

All trade and other payables are non-interest bearing. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to their short-term nature. Trade payables are normally settled within six months.

	Consolidated	
	2021	2020
	$000	$000
Current		
Trade payables	2,361	4,503
Statutory payables	2,797	2,907
Other payables	512	286
Total trade and other payables	5,670	7,696

Note 17 Debtor Finance Facility

The Group relies on a secured debtor finance facility provided by ScotPac Business Finance expiring on 20 February 2023 (the "Facility") to meet its working capital requirements. Under this Facility, the Group draws down funds for working capital and customers make payments directly to the lender to reduce the Facility draw down. This results in cash inflows and outflows that are treated as financing cash flows. The Facility is secured by a fixed and floating charge over the Company's assets.

The maximum Facility amount is the lower of 85% of approved trade receivables or $15,000k and is subject to certain drawdown and reporting conditions. At the reporting date the total available Facility was $5,859k (2020: $5,785k) and the applicable interest rate was 6.66% (2020: 6.74%).

	Consolidated	
	2021	2020
	$000	$000
Available debtor finance facility	5,859	5,785
Undrawn debtor finance facility	(5,076)	(4,598)
Amount drawn down	783	1,187

Note 18 Provisions

	Consolidated	
	2021	2020
	$000	$000
Current		
Employee benefits	702	852
Recruitment services under guarantee	30	30
Make good on leased premises	105	15
Total current provisions	837	897
Non-current		
Employee benefits	96	94
Make good on leased premises	15	80
Total non-current provisions	111	174
Total provisions	948	1,071

Movements in provisions

Movements in provisions, other than employee benefits, during the financial year are set out below.

	Recruitment Services Under Guarantee	Make Good on Leased Premises	Total
	2021	2021	2021
	$000	$000	$000
Balance at the beginning of the year	30	95	125
Additional provision recognised	-	41	41
Amounts derecognised on disposal	-	(16)	(16)
Balance at the end of the year	30	120	150

	2020	2020	2020
	$000	$000	$000
Balance at the beginning of the year	30	211	241
Additional provision recognised	-	186	186
Amounts utilised	-	(94)	(94)
Amounts derecognised on disposal of China business	-	(208)	(208)
Balance at the end of the year	30	95	125

Note 19 Deferred Tax Assets

There are unrecognised deferred income tax assets in relation to Australian tax losses on revenue account of $16,908k (2020: $17,651k). Unrecognised deferred income tax assets are reassessed at each reporting date and will be recognised to the extent that the Directors consider it probable that future taxable profit will allow the deferred income tax asset to be realised.

During the financial year the Company generated a profit from continuing operations before income tax of $2,415k. This was predominantly due to the Federal Government JobKeeper Payment subsidies which are not expected to recur in future years. Therefore, the Directors have determined not to recognise the deferred income tax assets in relation to Australian tax losses on revenue account at the reporting date.

Note 20 Contributed Equity

The Company does not have authorised capital or par value in respect of its listed ordinary shares. All issued ordinary shares are fully paid and rank equally with regards to the Company's residual assets.

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.

	Consolidated	
	2021	2020
	$000	$000
Paid up share capital at the beginning of the year	83,541	83,541
Paid up share capital at the end of the year	83,541	83,541

	No.	No.
Issued shares at the beginning of the year	89,582,175	89,582,175
Issued shares at the end of the year	89,582,175	89,582,175

Capital risk management

The Company's objective when managing capital is to safeguard the ability to continue as a going concern, so that the Company can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to minimise the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors capital on the basis of its gearing ratio. This ratio is calculated as net debt divided by total capital. Total capital is calculated as “equity” shown in the balance sheet plus debt.

		Consolidated	
		2021	2020
	Note	$000	$000
Cash and cash equivalents	11	87	408
Debtor finance facility	17	(783)	(1,187)
Net (debt)/ cash		(696)	(779)
Total equity		(5,330)	(2,916)
Total capital		(6,026)	(3,695)
Gearing ratio		11.5%	21.1%

Note 21 Reserves

	Consolidated 2021 $000	Consolidated 2020 $000
Balance at the beginning of the year	(95)	(411)
Foreign currency translation reserve	(1)	316
Balance at the end of the year	(96)	(95)

Foreign currency translation reserve

The foreign currency translation reserve records exchange differences arising on translation of foreign controlled entities. The reserve is recognised in the consolidated statement of profit or loss and other comprehensive income when the net investment is disposed.

Movements in reserves

	Foreign Currency Translation Reserve	Equity Remuneration Reserve	Total
	2021 $000	2021 $000	2021 $000
Balance at the beginning of the year	(96)	1	(95)
Foreign currency translation differences for foreign operations	(1)	-	(1)
Balance at the end of the year	(97)	1	(96)

	2020 $000	2020 $000	2020 $000
Balance at the beginning of the year	(412)	1	(411)
Foreign currency translation reserve recycled upon disposal of foreign operations	802	-	802
Foreign currency translation differences for foreign operations	(486)	-	(486)
Balance at the end of the year	(96)	1	(95)

Note 22 Dividends and Per Share Information

(a) Dividends

On 30 August 2021 the Directors resolved not to declare a final dividend for the year ended 30 June 2021. No dividends were paid by the Company in the previous corresponding period.

(b) Franking account balance

	2021 $000	2020 $000
Franking credits available to the Company	15,679	15,679

Note 22 Dividends and Per Share Information
(continued)

(c) Per share information

	Consolidated	
	2021	2020
	Cents	Cents
Ordinary activities		
Basic earnings/ (loss) per share	2.70	(7.00)
Diluted earnings/ (loss) per share	2.70	(7.00)
Net tangible assets[1] per share	5.95	3.22
Continuing operations		
Basic earnings/ (loss) per share	2.70	(4.22)
Diluted earnings/ (loss) per share	2.70	(4.22)
Net tangible assets[1] per share	5.95	3.22
Discontinued operations		
Basic loss per share	-	(2.78)
Diluted loss per share	-	(2.78)
Net tangible assets[1] per share	-	-

1. Net tangible assets includes right-of-use assets.

Weighted average number of shares used as the denominator

	Consolidated	
	2021	2020
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic loss per share	89,582,175	89,582,175
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted loss per share	89,582,175	89,582,175

Note 22 Dividends and Per Share Information (continued)

Reconciliation of earnings/ (loss) per share

	Consolidated	
	2021	2020
	$000	$000
Ordinary activities		
Profit/ (loss) after tax used in calculating basic earnings/ (loss) per share	2,415	(6,272)
Profit/ (loss) after tax used in calculating diluted earnings/ (loss) per share	2,415	(6,272)
Net tangible assets	5,330	2,886
Continuing operations		
Profit/ (loss) after tax used in calculating basic earnings/ (loss) per share	2,415	(3,777)
Profit/ (loss) after tax used in calculating diluted earnings/ (loss) per share	2,415	(3,777)
Net tangible assets	5,330	2,886
Discontinued operations		
Loss after tax used in calculating basic loss per share	-	(2,495)
Loss after tax used in calculating diluted loss per share	-	(2,495)
Net tangible assets	-	-

Note 23 Cash Flow Information

(a) Reconciliation of profit/ (loss) from ordinary activities after income tax to cash flows from operating activities

	Consolidated	
	2021	2020
	$000	$000
Profit/ (loss) from ordinary activities after income tax	2,415	(6,272)
Adjustments for:		
Depreciation and amortisation expense	445	1,338
(Gain)/ loss on disposal of fixed assets	(4)	16
Impairment loss on property, plant and equipment	-	282
Loss on disposal of discontinued operations	-	858
Net exchange differences	1	11
Changes in assets and liabilities:		
Decrease in trade and other debtors and accrued revenue	61	8,364
(Increase)/ decrease in prepayments	(99)	46
(Decrease)/ increase in trade creditors and accruals	(2,026)	239
Decrease in provisions	(123)	(72)
Decrease in other liabilities	-	(229)
Net cash from operating activities	670	4,581

Note 23 Cash Flow Information (continued)

(b) Changes in liabilities arising from financing activities

	Debtor Finance Facility	Lease Liabilities	Total
	2021	2021	2021
	$000	$000	$000
Balance at the beginning of the year	1,187	979	2,166
Net cash used in financing activities	(404)	(586)	(990)
Balance at the end of the year	783	393	1,176

	2020	2020	2020
	$000	$000	$000
Balance at the beginning of the year	5,798	-	5,798
Initial recognition of lease liabilities	-	3,195	3,195
Acquisition of leases	-	449	449
Disposal of discontinued operations	-	(1,803)	(1,803)
Net cash used in financing activities	(4,611)	(877)	(5,488)
Foreign exchange movements	-	15	15
Balance at the end of the year	1,187	979	2,166

Note 24 Remuneration of Auditors

During the financial year, the following fees were paid or were payable for services provided by the auditors of the Company and their related practices and to auditors of controlled entities.

	Consolidated	
	2021	2020
	$	$
Audit services		
Current auditors - PKF	92,809	90,000
Former auditors - Deloitte	-	157,250
Network firm of the former auditors	-	21,230
Other auditors of controlled entities	-	10,090
Total	92,809	278,570
Taxation services		
Current auditors - PKF	27,634	15,000
Former auditors - Deloitte	-	14,463
Network firm of the former auditors	-	13,486
Total	27,634	42,949

Note 25 Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following controlled entities in accordance with the accounting policy described in Note 3(a). The Company does not have any holdings in joint ventures or associates.

				Equity Holding %	
Subsidiary	Principal Activity	Country of Incorporation	Class of Shares	2021	2020
Ignite New Zealand Holdings Limited	Holding	New Zealand	Ordinary	100	100
Ignite IT Services Limited	Operating	New Zealand	Ordinary	100	100

During the financial year the Company's wholly owned non-operating Hong Kong subsidiary Lloyd Morgan Limited was deregistered.

Note 26 Related Party Disclosures

(a) Parent entity

The ultimate parent entity and ultimate controlling entity within the Group is Ignite Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 25.

(c) Terms and conditions

All transactions between related parties were made on normal commercial terms and conditions. There are no fixed terms for the repayment of loans between entities within the Group.

(d) Directors and key management personnel

The aggregate compensation provided to Directors and key management personnel of the Group is set out below.

	2021 $	2020 $
Short-term employment benefits	1,141,751	881,437
Post-employment benefits	66,260	61,192
Total	1,208,011	942,629

Note 27 Parent Entity Disclosure

(a) Statement of profit or loss and other comprehensive income for the year ended 30 June 2021

	2021 $000	2020 $000
Revenue	112,690	124,406
Contingent labour costs	(99,435)	(109,459)
Gross profit	13,255	14,947
Other income	2,632	708
Employee benefits expense	(9,719)	(12,907)
Depreciation and amortisation expense	(445)	(893)
Occupancy expense	(631)	(1,578)
Other expenses	(2,657)	(3,010)
Profit/ (loss) from operating activities	2,435	(2,733)
Finance income	1	20
Finance expense	(217)	(512)
Profit/ (loss) before income tax	2,219	(3,225)
Income tax (expense)/ benefit	-	255
Total comprehensive profit/ (loss) for the year	2,219	(2,970)
Accumulated losses at the beginning of the year	(80,818)	(77,848)
Profit/ (loss) after income tax	2,219	(2,970)
Accumulated losses at the end of the year	(78,599)	(80,818)

(b) Statement of financial position as at 30 June 2021

	2021 $000	2020 $000
Assets		
Current assets	12,287	12,774
Non-current assets	410	852
Total assets	12,697	13,626
Liabilities		
Current liabilities	7,582	10,332
Non-current liabilities	169	567
Total liabilities	7,751	10,899
Equity		
Contributed equity	83,541	83,541
Reserves	4	4
Accumulated losses	(78,599)	(80,818)
Total equity	4,946	2,727

Note 27 Parent Entity Disclosure (continued)

(c) Parent entity contingencies

The Company has no material contingent liabilities to disclose at the reporting date (2020: $Nil).

The Company has no capital commitments for the acquisition of property, plant and equipment at the reporting date (2020: $Nil).

(d) Parent entity guarantees

Bank guarantees have been provided on behalf of the Company to third parties in relation to the leases disclosed at Note 15. In the event of default, the issuing bank has security from the Company for the value of the bank guarantees.

Note 28 Contingent Liabilities

Given the nature of its contingent labour business, the Group has a large number of casual employees at any point in time. The May 2020 Full Court of the Federal Court of Australia decision in WorkPac Pty Ltd v Rossato [2020] FCAFC 84 ("Rossato") provided an interpretation around how a court of law may characterise and define a casual employee. Specifically, the decision pointed to circumstances where there was a firm advance commitment from the employer and, as a result, the casual employee had an expectation of continuing and indefinite employment and accruing benefits associated with permanent employment.

The Group's position at the time, contrary to the Rossato decision, was that its casual employees are described as "casual employees", engaged with no long-term commitment and, therefore, should have no expectation of continuing and indefinite employment or accruing benefits associated with permanent employment as they are also paid a loading to compensate for the absence of these benefits.

On 4 August 2021 the High Court of Australia overturned the decision of the Federal Court in Rossato when it found that Mr Rossato was a casual employee for the purposes of the Fair Work Act 2009 ("FW Act") and, as such, Mr Rossato was not entitled to paid annual leave, personal leave and compassionate leave under the FW Act.

The Rossato decision and the earlier 2018 decision by the Full Court of the Federal Court of Australia in WorkPac Pty Ltd v Skene [2018] FCAFC 131 were the catalysts for the March 2021 Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Act 2021 (Cth) ("FW Amendment"). The FW Amendment amended the FW Act by inserting a definition of "casual employee" consistent with the generally accepted employer definition, including that of the Group. The FW Amendment also provided a mechanism for employers, including the Group, to effectively set-off any court award of compensation for permanent employment entitlements payable to an employee who was mistakenly treated as a casual employee.

Given the decision of the High Court in Rossato and the FW Amendment, the Group is of the view that in its particular circumstances it is highly unlikely that any future obligation will arise in respect of benefits associated with permanent employment for its casual employees.

The Group has no other material contingent liabilities to disclose at the reporting date (2020: $Nil).

Note 29 Events Subsequent to the Reporting Date

The Group is exposed to the ongoing impact of COVID-19 and associated public health restrictions creating uncertainty around the medium-term trading environment and economic impact in Australia and New Zealand. Subsequent to the reporting date, and as of the date of this report, there has been no material impact on the Group's financial performance.

No other matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.

Directors' Declaration

The Directors of the Company declare that:

1. In the opinion of the Directors of the Company:

   (a) the consolidated financial statements and notes that are contained in pages 28 to 69 and the remuneration report in the Directors' Report, set out on pages 10 to 15, are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

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

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2021.

3. The Directors draw attention to Note 2 to the consolidated financial statements, which include a statement of compliance with International Financial Reporting Standards.

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

Garry Sladden

Garry Sladden
Chairman

Dated at Sydney this 30th day of August 2021.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IGNITE LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying Financial Report of Ignite Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2021, 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, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' declaration of the Company and the consolidated entity comprising the Company and the entities it controlled at the year-end or from time to time during the financial year (together the Group).

In our opinion, the Financial Report of Ignite Limited is in accordance with the Corporations Act 2001, including:

i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date; 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the consolidated entity 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 (including Independence Standards) (the Code) that are relevant to our audit of the Financial Report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 to the Financial Report, which describes management's assessment of the Group's ability to continue as a going concern. The matters described in Note 2 indicate a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

PKF(NS) Audit & Assurance Limited Partnership
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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. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matter described below to be the key audit matter to be communicated in our report. For the matter below, our description of how our audit addressed the matter is provided in that context.

1. Revenue from contracts with customers

Why significant	How our audit addressed the key audit matter
For the year ended 30 June 2021, revenue amounted to $113,878,000 as disclosed in Note 5 of the Financial Report. The Group's accounting policy in respect of revenue is outlined in Note 3(b) and the significant judgement required in calculating revenue is described in Note 3(s). Accordingly, given the complexity of judgement in the accounting for revenue from contracts from customers, we have determined this to be a key audit matter.	Our work included, but was not limited to, the following procedures: • Obtaining an understanding of, and testing selected key controls for their operating effectiveness; • Reviewing significant contracts to understand their terms and conditions and their impact on revenue recognition; • Testing a sample of revenue items from across all revenue streams to ensure accuracy and completeness of recognition in accordance with accounting standards; • Testing revenue cut-off testing to ensure the recognition of revenue in the appropriate periods; and • Assessing the appropriateness of the related disclosures in Note 5.

Other Information

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

The Other Information we obtained prior to the date of this Auditor's Report was the Chairman's Letter, the Chief Executive's Report, the Financial and Operational Review, and the Directors' report.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, the auditor does not and will not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we 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.

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

Directors' Responsibilities 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 consolidated entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the consolidated entity 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Report.

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

- Identify and assess the risks of material misstatement of the Financial Report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the consolidated entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and other related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the consolidated entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the consolidated entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Report, including the disclosures, and whether the Financial Report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the consolidated entity to express an opinion on the Group Financial Report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Financial Report (continued)

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

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Financial Report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion

We have audited the Remuneration Report included in the Directors' Report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Ignite Limited for the year ended 30 June 2021, 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.

PKF

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P. Pearman.

PAUL PEARMAN
PARTNER

30 AUGUST 2021
SYDNEY, NSW

Additional Information

The following information is required by ASX.

(a) Classes of securities and voting rights

There are two classes of equity securities, being ordinary shares and options. The ordinary shares are quoted on ASX, while the options are unlisted.

The voting rights in respect of the ordinary shares are established by the Company's Constitution which reads as follows:

Clause 5.12: "On a show of hands every Eligible Member present has one vote. On a poll every Eligible Member has one vote for each fully paid-up share."

There is currently no on-market buy-back.

No securities on issue are currently subject to voluntary escrow.

(b) Shareholders and option holders

As at 20 August 2021, the number of shareholders holding less than marketable parcels was 123 and the details and distribution of holders of ordinary shares and holders of options was as follows.

Range of Shareholdings	Holders of Ordinary Shares	% of Ordinary Shares
1-1,000	46	0.01
1,001-5,000	61	0.18
5,001-10,000	148	1.38
10,001-100,000	354	11.29
100,001 and over	61	87.14
	670	100.0

Option Holders	Number
Options granted	Nil

(c) Substantial shareholders

As at 20 August 2021, the names of the substantial shareholders listed in the Company's register were as follows.

Shareholder	Number of Ordinary Shares
Gold Tiger Equities Pty Ltd	22,957,459
OC20181 Pty Ltd	19,979,853
Sandon Capital Pty Ltd	10,150,664
Westferry Operations Pty Ltd	5,174,812

Additional Information (continued)

(d) Twenty largest shareholders

As at 20 August 2021, the names of the twenty largest shareholders according to the Company's share registry were as follows.

Rank	Shareholder	Number of Ordinary Shares	%
1	GOLD TIGER EQUITIES PTY LTD	23,000,000	25.67
2	OC20181 PTY LTD <OC20181 A/C>	17,546,517	19.59
3	ONE MANAGED INVT FUNDS LTD <SANDON CAPITAL INV LTD A/C>	7,591,834	8.47
4	WESTFERRY OPERATIONS PTY LTD <THE WESTFERRY FUND A/C>	5,071,838	5.66
5	ONE FUND SERVICES LTD <SANDON CAPITAL ACTIVIST A/C>	3,402,956	3.80
6	OC20181 PTY LTD <OC20181 A/C>	2,608,336	2.91
7	INVIA CUSTODIAN PTY LIMITED <MARK ANTHONY JURGENS A/C>	1,641,652	1.83
8	MR IAN WALLACE EDWARDS + MRS JOSEPHINE EDWARDS <THE EDWARDS SUPER FUND A/C>	1,083,072	1.21
9	MRS NAOMI IVY KING	1,000,000	1.12
10	MR CHRISTOPHER ANDREW GRUMMET	961,612	1.07
11	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	958,285	1.07
12	MR KRISTIAN ROBERT DIBBLE + MRS JANET RACHEL DIBBLE <DIBBLE SUPER FUND A/C>	842,250	0.94
13	DR GAVAN HARRISON + MRS KATRINA HARRISON	620,718	0.69
14	MR MARK ANTHONY GUSMAN	575,000	0.64
15	MR ROGER ALAN CATTON	550,000	0.61
16	MISS OLIVIA MARGARET KING	500,000	0.56
17	MR STUART ANDREW WILLIAMSON	500,000	0.56
18	MR WILLIAM YUE	440,230	0.49
19	VELKOV FUNDS MANAGEMENT PTY LTD <VICTOR VALUE FUND A/C>	431,161	0.48
20	MISS CHELSEA IVY KING	400,000	0.45
		69,725,461	77.82

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2021 ANNUAL REPORT

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