APPENDIX 4E

SUMMARY FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

Credit Clear

ABN: 48 604 797 033

Details of The Reporting Period and the Corresponding Reporting Period

Reporting period: Year ended 30 June 2024

Previous corresponding period: Year ended 30 June 2023

Results for Announcement to the Market

Key Information	2024 $000	2023 $000	% Change
Revenue from ordinary activities	42,001	34,951	20%
Loss after tax from ordinary activities attributable to owners	(4,497)	(11,058)	59%
Net Loss attributable to owners	(4,497)	(11,058)	59%
Net Tangible asset per share	3.15 cents	2.98 cents	6%

Dividends Paid and Proposed

There were no dividends paid, proposed, or declared during the current or previous financial year.

Other

Revenue for the year ending 30 June 2024 include only 7 months of the DRA Group which was acquired on 1 December 2023

Additional Appendix 4E disclosure requirements and commentary on significant features of the operating performance, results of segments, business combination, trends in performance, foreign entities and other factors affecting the results for the period are contained in the 2024 Annual Report, including the Chairman's Letter and CEO Report.

This document should be read in conjunction with the 2024 Annual Report, including the Chairman's Letter and CEO Report, and any public announcements made in the period by Credit Clear Limited in accordance with the continuous disclosure requirements of the *Corporations Act 2001* (Cth) and the ASX Listing Rules.

This report is based on consolidated financial statements which have been audited by PricewaterhouseCoopers and an unqualified opinion has been issued.

Andrew Smith, CEO & Executive Director

Michael Doery, Non-Executive Director

Annual Report
2024

ABN: 48 604 797 033

OUR MISSION

Credit Clear is transforming the debt collection industry after decades of under investment in technology, poor regulatory adherence and a failure to change with customer behaviour.

Credit Clear's hybrid end-to-end collections offering helps people and businesses improve their financial relationships.

Our mission is to dramatically improve the customer experience during the collections process and thereby enhance the collections outcome for our clients.

CONTENTS

creditclear
digital payment technology

An AI driven engagement platform deployed internally by ARMA Group and/or as a SaaS solution directly with clients. The platform and AI decision making process improves the customer experience for those who prefer not to speak with an agent, while lifting the overall engagement rate and time taken to collected by 20%.

oakbridge
commercial • insolvency • litigation

Provides a seamless and fully integrated legal recovery services to the group. As personal property and insolvency law specialists, Oakbridge acts for both creditors and insolvency practitioners on the full spectrum of insolvency related matters.

arma
debt resolution

A digitally led debt resolution provider that employs Credit Clear's technology internally, supported by 100% Australian-based and highly trained customer service team. ARMA's hybrid end-to-end hybrid approach has consistently outperformed other providers on collection panels.

Chairman's Letter

Dear Fellow Shareholder,

Our company has made good progress towards its goal of becoming a dominant and highly profitable provider in the debt resolution industry in FY24. The board are focused on helping the Company achieve this goal and I'm more excited about Credit Clear's future today than ever before.

Underpinning the Company's progress is our approach towards debt resolution that places our client's customers at the heart of our business. Since its inception, Credit Clear has received over 550,000 responses from our client's customers about their experience during the debt resolution process, giving us an average Net Promoter Score (NPS) of +40, which in the context of debt resolution is a remarkable result.

Our ongoing attention to customer experience and the scale at which we receive feedback sets us apart in the industry. This customer centric approach is highly valued by our clients and a significant reason behind the Company's ongoing success. With cost-of-living pressures and a growing number of Australians that require financial support and flexibility, Credit Clear's empathetic approach is more relevant and more in demand than ever before.

Our strategy is to deliver a fully integrated end-to-end debt resolution service that harnesses our award-winning AI technology, deploys a user-friendly and interactive digital platform, and is supported by the best trained and most compliant collections team in Australia.

This hybrid end-to-end offering has resulted in our Company onboarding an impressive list of new clients this year, including several of Australia's largest and most respected brands, including leading utility providers, insurers, banks and telecommunication providers. Credit Clear now has 20 tier-1 clients, up from 12 at the end of the previous year, a tremendous achievement from the whole team from sales, technology, operations through to the customer service team.

Tier-1 clients typically require a longer onboarding and integration process, where the Company makes a significant upfront investment before generating any revenue. It is worth noting that this upfront investment often results in reliable and recurring revenue over a relationship that could last a decade or more. In many cases, new tier-1 clients bring Credit Clear in alongside existing providers, and through a competitive panel process allocate a percentage of the debt portfolio based on the provider's performance.

Credit Clear's performance through these competitive panel processes during the year has been stellar. Our largest client produced revenue of $3.2m for the year, while the average revenue for tier-1 clients was $1.1m, highlighting the opportunity for the Company to efficiently grow revenue from existing tier-1 clients where sunken costs have already been incurred.

To become a dominant and highly profitable provider we understand that our offering needs to be industry leading in every stage of the collections lifecycle. During the year we have maintained our investment across digital technology, collections (people, systems and processes) and legal recoveries. We have made some progress towards improving our profitability, while continuing to make these important strategic investments in our future growth.

The competitive landscape continues to play in our favour, where ongoing M&A activity in the sector has consolidated the number of available providers. In addition, the trend away from selling debt has been extended, providing more work for Credit Clear.

We are well funded, are winning and onboarding new tier-1 clients, have leading technology, supportive trading conditions. We are focused on profitable growth.

The Board expresses its gratitude for your continued interest and shareholding support. Our company is led by a committed and shareholder-aligned board and executive that is excited to continue the journey with you.

Paul Dwyer
Chairman
Credit Clear Ltd

"Our goal is to become a dominant and highly profitable provider in the debt resolution industry."

CEO Letter

Dear Fellow Shareholder,

Your Company has achieved and exceeded many of its operational and financial goals in the past year and, as the Chairman has already outlined, Credit Clear has made strong progress towards becoming a dominant and highly profitable provider in the Australian debt resolution industry.

Before I get into the detail of FY24, I wanted to acknowledge and thank all shareholders for their support, belief, counsel and patience over the past year. I say patience, because since February 2022 when Credit Clear acquired ARMA group, the debt resolution company I co-founded with partners and friends, we've been focused on achieving "profitable growth"; essentially a balancing act between growing as fast as possible, while turning the company profitable as quickly as possible.

The financial accounts in this report show revenue growing by 20% to $42.0m, while achieving a $7.1m improvement in EBITDA to $4m. The results achieved are ahead of the guidance we provided to the market for FY24, and show that we've made excellent headway in achieving profitable growth.

Importantly, there is no sense of "mission accomplished" in the business. There remains a much larger and growing revenue and profitability opportunity to pursue within Australia alone. With the business achieving strong growth, improving profitability, and having made a significant investment in building a fully integrated and hybrid end-to-end debt resolution offering, with industry leading AI technology and the best collections people in Australia, I believe we are now in an excellent position to introduce and invest in accelerated growth, including into new geographic markets with a focus on the UK and Europe.

What the financial accounts don't necessarily show, is the people within the business that have created the technology, systems and processes that make the revenue and potential profitability of Credit Clear in future years so exciting. My thanks also go to all of them for their hard work and support in the past year.

TRADING CONDITIONS

There are three drivers that have created favourable macroeconomic trading conditions for Credit Clear; the rising cost of living, debt resolution industry consolidation and less debt being sold.

In its latest Living Cost Indexes (LCIs) data release the Australian Bureau of Statistics (ABS) highlights material and broad increases in all five LCIs that it measures. What stand out is the least discretionary costs have increased the most; insurance, financial services, food, electricity, rent and mortgage repayments.

Mortgage interest charges rose 26.5% over the year, down from a peak of 91.6% in the June 2023 quarter. The Reserve Bank of Australia's (RBA) decision to keep the cash rate on hold since November 2023 was the main contributor to the easing in annual growth. However, mortgage interest charges remain elevated, compared to recent years, as some fixed rate loans continued to rollover into higher variable rate loans.

The ABS data highlights the cost-of-living pressures placed on Australians in recent years, and difficult and rapid adjustments that many Australian would have had to made to the artificially low interest rates, government support and payment holidays provided by large corporates during the COVID pandemic.

It is our view that the economy has returned to a more normal footing, which highlights the need for Credit Clear's digitally-led hybrid offering, our point of differentiation, that provides our clients' customers with self-service options, flexibility and the best possible customer experience through the debt resolution process.

With a Net Promoter Score (NPS) of +40 from over 550,000 responses, Credit Clear's empathetic digitally-led hybrid approach is tailormade for large Australian companies whose customers require additional support through more challenging economic times.

In addition to supportive macroeconomic conditions, the debt resolution industry in Australia has significantly consolidated the number of providers on offer, removing several operators through merger and acquisition activity and/or collection providers themselves going into administration.

As much as our differentiated technology and industry leading service has won us new clients, Credit Clear is increasingly the only remaining provider capable of taking on large new clients of scale.

Finally, the trend away from selling debt continues, with companies choosing to retain the debt on their balance sheets and to work with deeply integrated third-party providers such as Credit Clear, rather than selling their debt. More debt and files being referred and less competition will provide the Company with strong tailwinds in the coming years

OUR CLIENTS

As we integrated the ARMA and Credit Clear teams, systems and processes, and deployed the digital technology internally, it became clear that the end-to-end hybrid offering provided a point of differentiation and a performance advantage over competition, particularly for large organisations.

For the first time Credit Clear was finding success with much larger clients and flagged that success from "tier-1 clients" would drive our growth. We began FY24 with 12 tier-1 clients and have finished the year with 20. Adding one tier-1 client a year would have been success for Credit Clear or ARMA as separate business. Adding two tier-1 clients per quarter has been beyond my high expectations.

The work required to tender for and pitch, onboard and then ramp up these large organisations to revenue exceeding $500k p.a. is a tremendous operational achievement that has taken a whole of team approach led by our exceptionally focused and proactive sale steam. Adding eight tier-1 clients highlights our scalability, our performance advantage and the strategic product fit with large multi-provider clients.

Tier-1 clients account for ~44% of our revenue, each capable of a material impact on revenue, while also providing good risk diversification as the number of clients grow. During the year we signed four new clients with the potential to become tier-1 clients and several of the tier-1 clients are still in their development stage and yet to achieve their full revenue potential.

TECHNOLOGY

Our balanced approach to profitable growth allowed for an ongoing investment in technology. Understanding that technology is a key point of differentiation for the business, allowing us to win new business while providing a sustainable competitive advantage in terms of our debt resolution performance made the longer-term decision to continue investing in technology development a strategic one.

A centrepiece of the integration project was to deploy Credit Clear's technology across the ARMA business. We have prioritised our technology integration efforts at ARMA's consumer division, where the Company has been winning tier-1 Australian organisations that cumulatively have millions of Australian customers.

The results achieved since transitioning ARMA's clients onto the Credit Clear platform have exceeded our high expectations. ARMA provides the market with the perfect case study to demonstrate the performance uplift potential of the technology when a digital-first hybrid approach is adopted, using award-winning artificial intelligence software as broadly as possible supported by highly trained collections staff.

"We began FY24 with 12 tier-1 clients and have finished the year with 20."

"The broad scale adoption of the Credit Clear technology by the ARMA consumer division is best illustrated by the increase in direct digital payments, growing from $71m in FY23 to $116m in FY24, a 63% increase."

The broad scale adoption of the Credit Clear technology by the ARMA consumer division is best illustrated by the increase in direct digital payments, growing from $71m in FY23 to $116m in 23, a 63% increase.

In addition to these direct digital payments, the digital platform is being used extensively to engage customers where the end payment is made directly with our clients. Meaning the true impact of the technology is far larger than digital payments reflects.

OPERATIONS

The work begun in FY23 to integrate Credit Clear and ARMA Group has continued this year, and further efficiencies and performance benefits have been gained. The business is increasingly working from shared infrastructure and enjoy a far more holistic view of systems and processes from which to make decisions to drive better outcomes for our clients and their customers.

During the year we acquired DRA Group, which comprised Debt Recoveries Australia, which specialises in insurance and automotive recoveries, ADC Legal, which specialises in insurance recoveries, and Nova Team Solutions, an upskilled business process outsourcing company with operations in the Philippines.

The DRA Group businesses have been integrated into the business and are performing in line with our due diligence expectations. We believe significant further efficiencies can be extracted from the DRA acquisition, particularly with the back office supportive provided by the BPO office in the Philippines.

During the year the company's operating brands were aligned through a rebranding exercise that saw the ARMA and Credit Solitons debt resolutions brands merged under ARMA, and the Force Legal and ADC Legal and Oakbridge Lawyers legal brands combined under the Oakbridge Lawyers brand.

The Company has also launched a new brand and service called iassist. A cutting-edge SaaS platform which provides a digital solution for hardship management that provides the easy capture of financial circumstances, tailored payment arrangements, automating legislative compliance and providing robust monitoring capabilities.

The hardship product empowers ARMA clients to deliver more effective and empathetic hardship programs. The product has been launched and being actively marketed to existing and new potential customers and further extends ARMA's hybrid end-to-end offering that supports our client's and their customers right the way through the debt lifecycle.

OUTLOOK

Credit Clear has positioned itself strategically to benefit from many global macro trends that are driving change in our industry. The investment over many years into technology has resulted in capabilities, such as artificial intelligence and adaptive workflows, that goes beyond what our largest clients could develop themselves, or source from other providers.

With companies less likely or able to sell debt, our positioning as an end-to-end digitally-led provider allows clients to integrate deeply and work with us through the entire collections lifecycle. Our focus on customer experience, measuring Net Promoter Scores and specialist training for our staff to manage hardship customers is increasingly important to our clients.

With our market positioning, economic conditions creating more work and a tremendously talented and dedicated team who are strongly aligned with shareholder outcomes, I look forward to the year ahead.

Your sincerely,

Andrew Smith
Chief Executive Officer
Credit Clear Limited

FY24 Highlights

The Company produced its fifth consecutive quarter of positive cash from operations with $1.8m in Q4 '24. Cash from operations now stands at $3.6m for FY24.

The Company had $13.1m cash at bank on 30 June 2024, a $1.1m improvement year-on-year and is in a strong position to fund growth opportunities, including the potential to enter international markets.

The strong revenue growth achieved during the year was reflected in record quarterly revenue of $11.5m in Q4' 24, leaving the Company well positioned to capitalise on the expected growth heading into FY25, with the first quarter of the financial year historically being one of the strongest quarters.

$42m
REVENUE

$13.1m
CASH AT BANK

UNDERLYING EBITDA
$4.2m
$7.1M IMPROVEMENT ON PCP

NPS
+40
WITH OVER 550K RESPONSES

1m+
ACTIVE DEBT FILES REFERRED

20
TIER-1 STATUS CLIENTS

Focus on Customer Experience

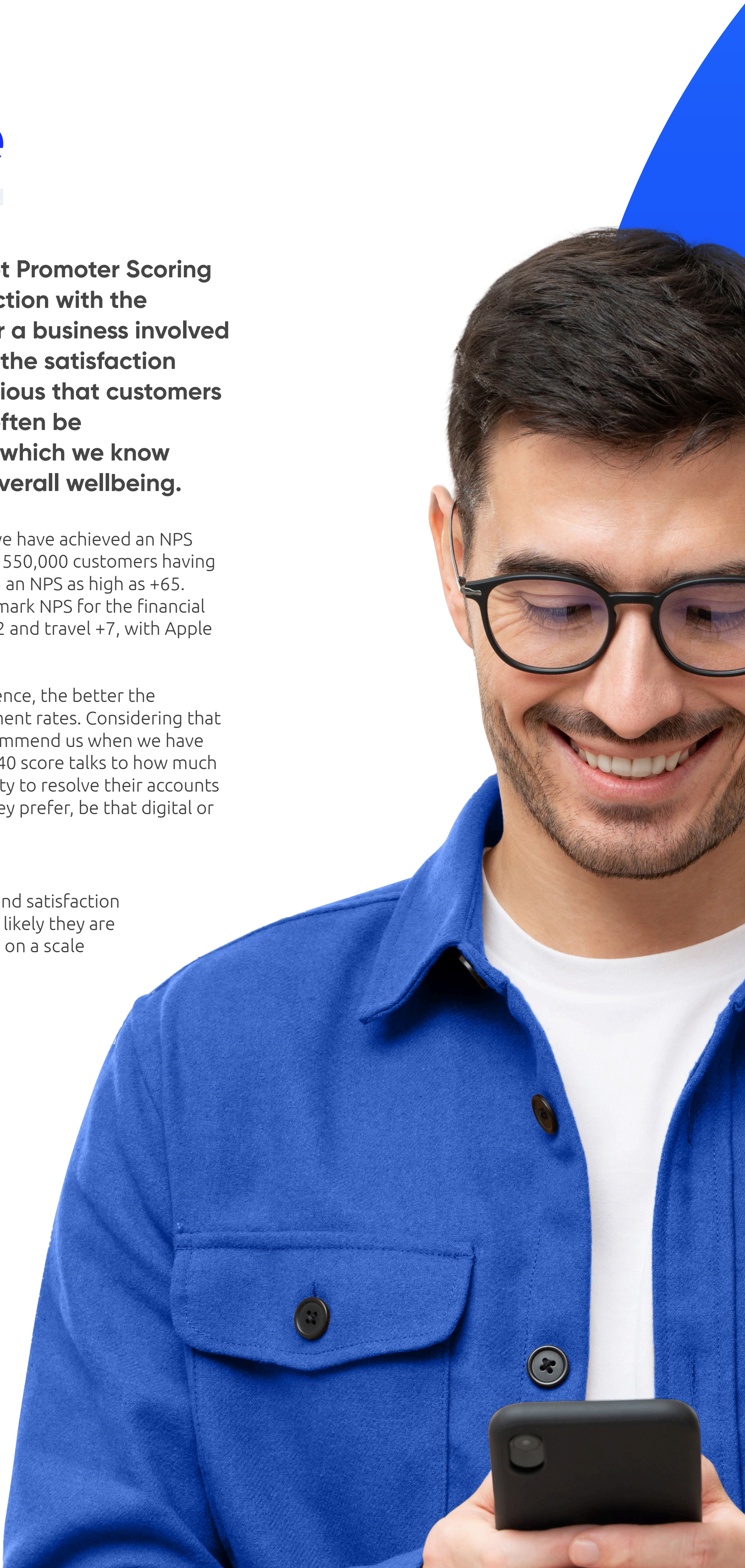
In 2020 Credit Clear introduced Net Promoter Scoring (NPS) to measure customer satisfaction with the platform. This was revolutionary for a business involved in debt collection to be measuring the satisfaction of customers. We are deeply conscious that customers engaging with our service, would often be experiencing financial challenges, which we know can have a significant impact on overall wellbeing.

One of the things we are most proud of is that we have achieved an NPS score of +40 across our portfolios with well over 550,000 customers having responded. Some individual portfolios have seen an NPS as high as +65. To give that further context, the industry benchmark NPS for the financial services sector is +20, education and training +12 and travel +7, with Apple having an NPS of +72.

Credit Clear's main focus is the customer experience, the better the experience for customers, the better the repayment rates. Considering that we are asking people how likely they would recommend us when we have just asked them to settle an outstanding bill, a +40 score talks to how much customers appreciate being given the opportunity to resolve their accounts at a time of their choosing and in the method they prefer, be that digital or traditional.

What is NPS score?

Net Promoter Score (NPS) is a customer loyalty and satisfaction measurement taken from asking customers how likely they are to recommend your product or service to others on a scale of 0–10.



“Ease of use, simple and direct with clear language.”

Enhancing customer experience with award-winning technology

An average NPS of +40

Over 550,000 customer responses

Clients choose Credit Clear because their customers are treated better

“Excellent and completely easy, every bill/payment should be this easy.

Directors' Report

Your directors present their report on the Consolidated Entity (referred to herein as the Group) consisting of Credit Clear Limited and its controlled entities for the financial year ended 30 June 2024. The information in the preceding operating and financial review forms part of this directors' report for the financial year ended 30 June 2024 and is to be read in conjunction with the following information:

General Information

Directors

The following persons were directors of Credit Clear Limited for the duration of the financial year unless otherwise stated:

Hugh Robertson
Andrew Smith
Michael Doery
Paul Dwyer

The company announced the appointment of Jodie Bedoya as a non-executive Director effective from 1 September 2024.

Information Relating to Directors and Company Secretary

Hugh Robertson	Non-executive Director
Experience	Hugh is an investment advisor with Morgans Financial Limited. He has worked in the stockbroking industry for 40 years with a variety of firms including Bell Potter, Falkiners Stockbroking, Investor First and Wilson HTM. Among his areas of interest is a concentration on small cap industrial stocks.
Interest in Shares and Options	7,096,266 ordinary shares in Credit Clear Limited
Other current directorships	Maggie Beer Holdings Limited
Directorships held in previous 3 years	Envirosuite Limited Touch Ventures Limited

Andrew Smith	Managing Director
Qualifications	Andrew holds a Bachelor of Business, majoring in Economics and Management from the University of Newcastle.
Experience	Andrew has more than 18 years' experience working in the credit and collections industry. He has founded three companies, the latest being ARMA Group Holdings, which was acquired by Credit Clear in February 2022. Following the acquisition, Andrew was appointed as CEO and continues to serve as Managing Director of Credit Clear Limited. Andrew's deep industry connections, collections knowledge and technological approach to collections has seen him emerge as a leading voice in the Australian collections industry.
Interest in Shares and Options	24,729,847 ordinary shares 2,000,000 options to acquire ordinary shares, exercisable at $0.60 per option, expiring 30 November 2025

Michael Doery	Independent Director
Qualifications	University of New England – Bachelor of Finance & Administration Fellow Australian Institute of Company Directors Fellow Chartered Accountants
Experience	Appointed a director of Credit Clear Limited on 6 May 2022. Extensive Executive Director and Non-Executive Director experience in the public and private sectors spanning 15 years. Previously a Partner with KPMG followed by CFO, COO and CEO appointments with listed and public companies. Board experience includes roles as Chairman of the Board as well as Chair of Remuneration, and Audit and Risk Committees.
Interest in Shares and Options	446,681 ordinary shares 2,000,000 options to acquire ordinary shares, exercisable at $0.60 per option, expiring 30 November 2025
Special Responsibilities	Michael is Chair of both the Risk & Audit Committee and the Nomination & Remuneration Committee

Paul Dwyer	Independent Chairman
Experience	Appointed Director of Credit Clear Limited on 9 September 2022 and appointed Chairman on 1 March 2023. Paul is a co-founder of PSC Insurance Group (ASX: PSI) where he serves as a non-executive Director and Deputy Chairman. He has exceptional insurance experience along with a proven track record in business acquisition, growth and international scaling. Paul also serves as the Director of several private organisations across his investment, charitable and sporting interests.
Interest in Shares and Options	6,119,024 ordinary shares 2,000,000 options to acquire ordinary shares, exercisable at $0.60 per option, expiring 30 November 2025
Special Responsibilities	Member of both the Risk & Audit Committee and the Nomination & Remuneration Committee
Other current directorships	PSC Insurance Group Limited Mirrabooka Investments Limited

Adam Gallagher	Company Secretary
Qualifications	Graduate Diplomas in Applied Corporate Governance and Information Systems, a Masters in Commerce and a Bachelor of Economics
Experience	Adam is a professional Company Secretary with a broad corporate skill set with over 20 years of experience in debt and equity markets. He has held officeholder and executive roles in numerous ASX-listed technology companies many of which he is publicly recognised as have being instrumental in shaping through his contribution to their corporate growth in M&A, communications and strategy. His firm ACG Partners provides company secretarial and associated services to listed and unlisted public companies.

Principal Activities

The principal activities of the Group during the financial year were the provision of debt resolution services and the ongoing technology development and implementation of the Company's digital engagement platform. The Group also provides commercial legal expertise as part of its full end to end collections management service.

Review of Operations

Credit Clear is a fully integrated and hybrid, end-to-end provider of debt resolution services. This strategic market positioning allows Credit Clear to address a significantly larger market with its award-winning technology supported by exceptional debt resolution capabilities and legal recovery services. In the past financial year, we have fully integrated the operations of the two legal firms under the Oakbridge Lawyers brand and the two debt collection firms under the ARMA brand.

The integration projects and migration of systems and clients is substantially complete, and the Company is now beginning to benefit from the efficiencies, scale and capabilities of the combined entities.

Our technology continues to transform the debt resolution landscape through artificial intelligence, automation and smart analytics. Our hybrid solutions provide actionable communications, resulting in reduced costs, improved engagement and recovery rates and a superior end-user experience for our client's customers.

Strong trading conditions and reduced competition

Credit Clear has a supportive external environment, with macroeconomic tailwinds benefiting the Company. The value and volume of debt files being referred to Credit Clear has grown appreciably during the year, a key leading indicator for future revenue growth.

While levels of indebtedness are growing, near full employment means that almost all Australians retain the capacity to repay their debts, particularly if provided with the options and flexibility to do so. It is here where Credit Clear excels providing our client's end customers with individualised engagement strategies, a great customer experience and our clients with an uplift in debt resolution.

Our competitive landscape is much improved from 12 months ago. Ongoing M&A activity in the sector has consolidated the number of available providers. In addition, the trend away from selling debt has been extended, providing more work for Credit Clear.

Record Financial Performance

In FY24 Credit Clear made strong progress towards achieving profitability. Revenue is up to a record $42.0m, up 20% PCP and we finished the year with strong momentum, posting a quarterly revenue record in Q4 of $11.5m. Ongoing and robust cost controls and fiscal discipline has seen expenses increase at a lower rate than revenue. The combined effect led to an $7.1m improvement in EBITDA. We have a strong cash balance of $13.1m, a $1.1m improvement on the closing cash balance compared to FY23.

Strong foundation established for long-term growth

This year's portfolio of client wins reflects Credit Clear's success in expanding its presence in key target verticals, including government, utilities, financial services, insurance and transport. We continue to invest in our technology platform to expand the breadth of services and functionality offered to our clients and their end-users.

We note several successful rollouts of enhanced platform functionality throughout the year, including enhanced artificial intelligence functionality with message send time optimisation (STO) and also introducing additional functionality with regards to managing hardships and disputes.

Credit Clear's evolving receivables technology delivers a superior end-user experience that promotes a positive relationship between client and end-user. This subsequently drives efficiencies and higher debt recoveries for Credit Clear's clients, which is reflected in the Company's 99% customer retention rate and NPS score of +40 (across over 550,000 respondents).

Well positioned to accelerate growth agenda

Credit Clear has positioned itself strategically to benefit from many global macro trends that are driving change in our industry. The investment over many years into technology has resulted in capabilities, such as artificial intelligence and adaptive workflows, that goes beyond what even our largest clients could develop themselves, or source from other providers. With companies less likely or able to sell debt, our positioning as an end-to-end digital first provider allows clients to integrate deeply and work with us through the entire debt resolution lifecycle. Our focus on customer experience, measuring Net Promoter Scores and specialist training for our staff to manage hardship customers is increasingly important to our clients.

Significant Changes in State of Affairs

On 1 December 2023, Credit Clear Limited acquired a 100% interest in Debt Recoveries Australia Pty Ltd, ADC Legal Pty Ltd and Nova Team Solutions Inc for a consideration of $1,500,000, payable 60% in cash and 40% CCR equity. This resulted in Credit Clear Limited obtaining control of the DRA Group.

Other than the above, there were no significant changes in the state of affairs of the Group during the financial year.

Events Occurring after the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely Future Developments

Information on likely developments in the operations of the consolidated entity and the expected results of operations are detailed in the Directors' Report.

Environmental Regulation

The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Dividends Paid or Recommended

Dividends paid during the financial year are as follows:

No dividend declared or payable in respect of the year ended 30 June 2023	$Nil
No dividend declared or payable in respect of the year ended 30 June 2024	$Nil

Indemnifying Officers or Auditor

During the financial year, the Company paid a premium to insure the Directors and Officers of the Group. The terms of the insurance policy prevent additional disclosure. The Group is not aware of any liabilities that arose under these indemnities as at the date of this report.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Non-Audit Services

During the year, PricewaterhouseCoopers, has performed certain other services in addition to the audit and the review of the financial statements. The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with the general standards of independence of auditors imposed by the *Corporations Act 2001*.

Details of the amounts paid to the auditor of the Company, for audit and non-audit services provided during the year are set out at note 23.

Auditor's Independence Declaration

PricewaterhouseCoopers were appointed auditors of the consolidated group by Shareholders at the Annual General Meeting on 29 November 2022.

A copy of the auditor's independence declaration as required under section 307C of the *Corporation Act 2001* is set out immediately after this directors' report.

Options and Rights

At the date of this report, the unissued ordinary shares of Credit Clear Limited under option or rights are as follows:

Grant Date	Issue	Date of Expiry	Exercise Price	Number under Option and Rights
1 Oct '20	Options – Employees	1 Oct '32	$0.50	2,000,000
1 Oct '20	Options – Employees	1 Oct '33	$0.55	2,000,000
1 Oct '20	Options – Employees	1 Oct '34	$0.60	500,000
8 Oct '20	Options – Directors	8 Oct '32	$0.50	5,300,000
19 Nov '20	Options – Directors	8 Oct '32	$0.50	1,500,000
28 Oct '22	Options – Employees	28 Oct '25	$0.60	200,000
21 Dec '22	Options – Directors	30 Nov '25	$0.60	6,000,000
22 Sep'23	Rights – KMP's	31 Aug'24	$0.00	243,903
22 Sep'23	Rights – Employees	31 Aug'24	$0.00	2,341,463
30 Nov'23	Rights – KMP's	31 Dec'24	$0.00	248,657
30 Nov'23	Rights – Employees	31 Dec'24	$0.00	1,942,261
30 Nov'23	Rights – KMP's	31 Dec'25	$0.00	186,492
30 Nov'23	Rights – Employees	31 Dec'25	$0.00	2,061,074
22 Dec'23	Rights – Employees	31 Dec'24	$0.00	694,442
5 Jun'24	Rights – KMP's	30 Jun'25	$0.00	212,500
5 Jun'24	Rights – Employees	30 Jun'25	$0.00	3,045,671
5 Jun'24	Rights – KMP's	30 Jun'26	$0.00	159,375
5 Jun'24	Rights – Employees	30 Jun'26	$0.00	2,594,883
5 Jun'24	Options – KMP's	30 Jun'27	$0.31	2,000,000
5 Jun'24	Options – Employees	30 Jun'27	$0.31	17,000,000
				50,230,721

Option holders do not have any rights to participate in any issues of shares or other interests of the Company or any other entity.

There have been no options granted over unissued shares or interests of any controlled entity within the Group during or since the end of the reporting period.

For details of options issued to directors and executives as remuneration, refer to the remuneration report.

No person entitled to exercise options had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Meetings of Directors

Eligible attendance by each member of the Board and its committees during the year were as follows:

	Directors' Meetings		Risk & Audit Committee		Nomination & Remuneration Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Paul Dwyer	10	10	4	4	1	1
Hugh Robertson	10	9	–	–	–	–
Michael Doery	10	10	4	4	1	1
Andrew Smith	10	10	-	-	-	-

Remuneration Report (Audited)

Remuneration Policy

The remuneration policy of Credit Clear Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Consolidated Group's financial results. The Board of Credit Clear Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the Consolidated Group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the Consolidated Group

is as follows:

The remuneration policy is developed by the Nomination & Remuneration committee and approved by the Board.

All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives.

Performance incentives are generally only paid once predetermined key performance indicators (KPIs) have been met.

Incentives paid in the form of options or rights are intended to align the interests of the directors, KMP and company with those of the shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.

The Nomination & Remuneration committee will review KMP packages annually by reference to the Consolidated Group's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Consolidated Group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations.

Any change must be justified by reference to measurable performance criteria. This is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

KMP receive, at a minimum, a superannuation guarantee contribution required by the government, which was 11% of the individual's average weekly ordinary time earnings (AWOTE) during the year, increasing to 11.5% from 1 July 2024. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

Upon retirement, KMP are paid employee benefit entitlements accrued to the date of retirement. Any options not exercised before or on the date of retirement will lapse although the board has discretion to allow the KMP to retain the options.

All remuneration paid to KMP is valued at the cost to the Company and expensed with the exception of share-based payments which are valued at fair value on grant date.

Non-executive directors are paid fees in accordance with a schedule which is approved by shareholders. Fees are paid in the form of either cash or shares, depending on the preference of the respective director. The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability.

Independent external advice is sought when required. The maximum annual aggregate directors' fee pool limit is $650,000 and was approved by shareholders at the annual general meeting on 31 January 2022. In addition to director fees, non-executive directors also receive share options with terms that are aligned with shareholder interests.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the annual general meeting.

KMP are also entitled and encouraged to participate in the employee share and option arrangements to align directors' interests with shareholders' interests.

Options granted under the arrangement do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share once the interim or final financial report has been disclosed to the public and is measured using either the Black-Scholes or Hoadley methodology.

In addition, the Board's remuneration policy prohibits directors and KMP from using Credit Clear Limited shares as collateral in any financial transaction, including margin loan arrangements.

Engagement of Remuneration Consultants

Remuneration consultants were not engaged during the year.

Performance-Based Remuneration

KPIs are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for Group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually, with incentives being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the Nomination & Remuneration committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, Credit Clear Limited bases the assessment on audited figures.

Elements of Remuneration

(i) Fixed annual remuneration (FR)

Executives receive their fixed remuneration as cash. FR is reviewed annually, or on promotion. It is benchmarked against market data for comparable roles in companies in a similar industry and with similar market capitalisation. The committee aims to position executives at or near the median, with flexibility to take into account capability, experience, value to the organisation and performance of the individual. Superannuation is included in FR.

Directors receive fees which have been approved by shareholders. They have the choice of receiving fees in the form of cash or shares.

Fixed remuneration represented 70% of total KMP remuneration for the 2024 financial year.

(ii) Short-term incentives (STI)

The STI metrics align with our strategic priorities of market competitiveness, operational excellence, shareholder value and fostering talented and engaged individuals. The following STI's were granted to KMP's during the year:

a. Share rights were issued to KMP's with a condition that they remain employed with the Group until 31 August 2024, after which, the rights convert to ordinary shares. These rights represent 32% of total STI's.

b. Share rights were issued to KMP's with performance conditions relating to meeting the EBITDA budget for FY24 as well as remaining employed until 31 December 2024. The EBITDA budget for FY24 (as defined in the STI terms) was achieved. The service condition remains pending until 31 December 2024. These rights represented 32% of total STI's.

c. Share rights were issued to KMP's with performance conditions relating to meeting the EBITDA budget for FY25 as well as remaining employed until 30 June 2025. Achievement of the EBITDA budget for FY25 (as defined in the STI terms) is still pending. The service condition also remains pending until 30 June 2025. These rights represented 36% of total STI's.

Short-term incentives represented 12% of total KMP remuneration for the 2024 financial year

(iii) Long-term incentives (LTI)

The LTI incentive conditions align with meeting shareholder interests as well as retain key personnel. The following LTI's were granted to KMP's during the year:

a. Share rights were issued to KMP's with performance based vesting conditions relating to meeting the EBITDA budget for FY24 as well as remaining employed by 31 December 2025. The EBITDA budget for FY24 (as defined in the STI terms) was achieved. The service condition remains pending until 31 December 2025. These rights represent 31% of total LTI's.

b. Share rights were issued to KMP's with performance conditions relating to meeting the EBITDA budget for FY25 as well as remaining employed until 30 June 2026. Achievement of the EBITDA budget for FY25 (as defined in the STI terms) is still pending. The service condition also remains pending until 30 June 2026. These rights represented 34% of total LTI's

c. Share options were granted to KMP's during the year. They have an exercise price of $0.31, a vesting date of 30 June 2026 and an expiry date of 30 June 2027. This includes 1,500,000 options which replaced previous options with an exercise price of $0.60, vesting date of 30 September 2024 and expiry date of 30 September 2025. These options represent 35% of total LTI's.

Long-term incentives represented 18% of total KMP remuneration for the 2024 financial year.

Relationship Between Remuneration and Company Performance

The approach to remuneration has been tailored to increase goal congruence between shareholders, directors and executives. This is done through the issue of options, rights or shares to the majority of directors and executives to encourage the alignment of personal and shareholder interests. The company believes this policy is effective in increasing shareholder wealth.

The following table shows the gross revenue and profits for the last four years for the listed entity, as well as the share price. The Company's revenue has improved materially over the last four years. The Board is of the opinion that these results can be attributed, in part, to the previously described remuneration policy and is satisfied with the overall revenue improvement and growth of the business since the initial public offering.

	2024	2023	2022	2021
Revenue ($000)	42,001	34,951	21,462	10,980
Net profit/(Loss) attributable to owners of the Parent Entity ($000)	(4,497)	(11,058)	(11,132)	(8,019)
Share price at year-end	$0.26	$0.22	$0.335	$0.575
Total KMP STI & LTI remuneration ($000)	$331	$2,329	$1,191	$1,481

STI and LTI figures for 2022 and 2023 include the ARMA earn-out of $962,619 and $1,427,558 respectively.

Details of Directors and Key Management Personnel

The following table provides employment details of persons who were, during the financial year, directors or members of KMP of the Consolidated Group. The table also illustrates the proportion of remuneration that was performance and non-performance based.

			Proportions of Elements Of Remuneration Related to Performance (Other than Options/Rights Issued		Proportions of Elements Of Remuneration not Related to Performance
	Position Held as at 30 June 2024 and any Change during the Year	Contract Details (Duration and Termination	Non-Salary Cash Based Incentives %	Shares/Units %	Fixed Salary/Fees %
Non-Executive Directors					
Hugh Robertson	Non-executive Director		–	–	100
Michael Doery	Non-executive Director			-	100
Paul Dwyer	Chairman		–	–	100
Executive Directors					
Andrew Smith	CEO & Managing Director	Permanent Contract	–	–	75
Group KMP					
Victor Peplow	CFO	Permanent Contract	–	–	59

The employment terms and conditions of all KMP are formalised in contracts of employment.
Terms of KMP employment require that the relevant group entity provide an executive contracted person with a minimum of four weeks' notice prior to termination of contract. Fixed remuneration figures for KMP's are disclosed in the Table of Benefits and Payments. The general treatment of STI's and LTI's upon termination of a KMP is for the incentives to be cancelled, however the board has discretion to allow incentives to be retained. There were no termination payments made during the 2024 financial year.

Changes in Directors and Executives Subsequent to Year-End

There have been no changes to directors and executives subsequent to year end.

Remuneration Expense Details for the Year Ended 30 June 2024 and 2023

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the Consolidated Group. Such amounts have been calculated in accordance with Australian Accounting Standards.

Table of Benefits and Payments for the Year Ended 30 June 2024 and 2023

		Short-term Benefits		Post-employment Benefits	Equity-settled Share-based Payments			
		Acquisition Earnout $	Salary, Fees and Leave $	Pension And Super-annuation $	Acquisition Earnout $	Shares/ Units $	Options/ Rights $	Total $
Non-Executive Directors								
Paul Dwyer[3]	2024	–	115,000	–	–	–	-	115,000
Hugh Robertson[3]	2024	–	–	–	–	64,661	–	64,661
Michael Doery[3]	2024	–	49,774	5,475	–	49,271	-	104,520
Executive Directors								
Andrew Smith	2024	-	356,823	27,399	-	–	126,910	511,132
Group KMP's								
Victor Peplow	2024	–	262,013	27,399	–	–	204,471	493,883
Total		-	783,610	60,273	-	113,932	331,381	1,289,196
Non-Executive Directors								
Paul Dwyer	2023	–	88,336	–	–	–	220,000	308,336
Hugh Robertson	2023	–	–	–	–	71,123	–	71,123
Michael Doery	2023	–	47,558	4,994	–	51,882	220,000	324,434
Marcus Price[2]	2023	–	–	–	–	37,479	28,973	66,452
Mark Casey[2]	2023	–	–	–	–	33,315	9,271	42,586
Executive Directors								
Andrew Smith	2023	856,535 [1]	300,000	25,292	571,024 [1]	–	220,000	1,972,851
Lewis Romano[2]	2023	–	15,000	1,575	–		1,653	18,228
Group KMP's								
Victor Peplow	2023	–	248,750	25,007	–	–	202,101	475,858
Total		856,535	699,644	56,868	571,024	193,799	901,998	3,279,868

1. The 2023 figures includes part of the ARMA earnout amounting to $1,427,558 which is made up of $856,535 cash and $571,023 in shares.
2. Marcus Price, Mark Casey and Lewis Romano resigned as directors during 2023.
3. Non-Executive directors are entitled to receive their fees in the form of cash or shares. Hugh Robertson opted for 100% shares, Michael Doery 50% shares and 50% cash, and Paul Dwyer 100% cash.

Cash Bonuses, Performance-related Bonuses and Share-based Payments

There were no cash bonuses paid during the year. The terms and conditions relating to options and other bonuses granted as remuneration during the year to Directors and KMP's are as follows:

	Remun-eratin Type	Grant Date	Value $	Basis of vesting condition	Percentage Vested during Year %	Percentage Remaining as Unvested	Expiry Date for Vesting
Group KMP							
Victor Peplow	Rights	22 Sep'23	46,341	Staff Retention	0	100	31 Aug'24
Victor Peplow	Rights	30 Nov'23	45,064	Business Performance	0	100	31 Dec'24
Victor Peplow	Rights	30 Nov'23	33,980	Business Performance	0	100	31 Dec'25
Victor Peplow	Rights	5 Jun'24	51,000	Business Performance	0	100	30 Jun'25
Victor Peplow	Rights	5 Jun'24	38,250	Business Performance	0	100	30 Jun'26
Victor Peplow	Options	5 Jun'24	39,350	Business Performance	0	100	30 Jun'26

All options and rights were issued by Credit Clear Limited and are based on either performance or employment retention vesting conditions. They entitle the holder to one ordinary share in Credit Clear Limited for each option exercised or vested right.

This includes 1,500,000 options with a previous exercise price of $0.60, vesting date of 30 September 2024 and expiry date of 30 September 2025 which were replaced with modified terms of $0.31 exercise price, vesting date of 30 June 2026 and expiry date of 30 June 2027. There have not been any other alterations to the terms or conditions of any grants since grant date.

		Grant Details		Exercised / Vested		Lapsed	
	Balance at Beginning of Year	Issue Date	No.	No. (Note 1)	Value $ (Note 1)	No. (Note 2)	Balance at End of Year No.
Non-Executive directors							
Paul Dwyer	2,000,000	-	-	–	–	–	2,000,000
Michael Doery	2,000,000	-	-	–	–	–	2,000,000
Executive Directors							
Andrew Smith	2,000,000	-	-	–	–	–	2,000,000
Group KMP							
Victor Peplow	2,256,838	Various	1,559,807*	106,838	47,009	658,880	3,050,927
	8,256,838		1,559,807	106,838	47,009	658,880	9,050,927

*Excludes replacement options issued.

		Vested		Unvested
	Balance at End of Year No.	Exercisable No.	Unexercisable No.	Total at End of Year No.
Non-Executive Directors				
Paul Dwyer	2,000,000	2,000,000	–	-
Michael Doery	2,000,000	2,000,000	–	-
Executive Directors				
Andrew Smith	2,000,000	2,000,000	–	-
Group KMP				
Victor Peplow	3,050,927	–	-	3,050,927
	9,050,927	6,000,000	-	3,050,927

Note 1 There were 106,838 rights vested and no options exercised during 2024.
Note 2 There were 8,880 rights and 650,000 options which lapsed in the year 2024.

Details of the options and rights granted as remuneration to those KMP listed in the previous table are as follows:

Grant Date	Issuer	Entitlement on Exercise	Dates Exercisable or vesting	Exercise Price $	Value per Option at Grant Date $	Amount Paid/ Payable by Recipient $
22 September 2023	Credit Clear Limited	243,902	31 August 2024	$0.00	$0.19	–
30 November 2023	Credit Clear Limited	248,657	31 December 2024	$0.00	$0.18	–
30 November 2023	Credit Clear Limited	186,493	31 December 2025	$0.00	$0.18	–
5 June 2024	Credit Clear Limited	212,500	30 June 2025	$0.00	$0.24	–
5 June 2024	Credit Clear Limited	159,375	30 June 2025	$0.00	$0.24	–
5 June 2024	Credit Clear Limited	500,000	30 June 2026	$0.31	$0.0787	155,000

Options value at grant date was independently calculated using the Black-Scholes methodology.
Details relating to service and performance criteria required for vesting have been provided in the Cash Bonuses, Performance-related Bonuses and Share-based Payments table on page 28.

Director and KMP Shareholdings

The number of ordinary shares in Credit Clear Limited held by each Director and KMP of the Group during the financial year is as follows:

	Balance at Beginning of year	Granted as Remuneration during the Year	Issued on Vesting of Rights during the Year	Issued on capital raise	Balance at End of Year
Non-Executive Directors					
Hugh Robertson	6,343,775	317,708	–	434,783	7,096,266
Paul Dwyer	5,510,328	–	–	608,696	6,119,024
Michael Doery	174,037	229,166	–	43,478	446,681
Executive Directors					
Andrew Smith	23,642,891	–	–	1,086,956	24,729,847
KMP					
Victor Peplow	565,000	–	106,838	–	671,838
	36,236,031	546,874	106,838	2,173,913	39,063,656

Other Equity-Related KMP Transactions

There have been no other transactions involving equity instruments apart from those described in the tables above relating to options, rights and shareholdings.

Other Transactions with KMP and/or their Related Parties

There were no transactions conducted between the Group and KMP or their related parties, apart from those disclosed above relating to equity, compensation and loans, other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons. Refer Note 30 for further details.

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors:

Michael Doery
Non-Executive Director

Dated this 28th day of August 2024

Andrew Smith
Managing Director

Dated this 28th day of August 2024

Auditor’s Independence Declaration

Auditor’s Independence Declaration

As lead auditor for the audit of Credit Clear Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

This declaration is in respect of Credit Clear Limited and the entities it controlled during the period.

Ben Gargett
Partner
PricewaterhouseCoopers

Melbourne
28 August 2024

PricewaterhouseCoopers, ABN 52 780 433 757
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Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2024

		Consolidated Group	
	Note	2024 $000	2023 $000
Revenue from customers	3a	42,001	34,951
Other income	3b	241	1,007
Employee benefits expense		(23,924)	(22,477)
Legal Fees		(418)	(800)
Consultancy Fees		(944)	(866)
Professional service fees		(2,767)	(2,593)
Service delivery fees		(6,944)	(5,869)
Share-based expenses	22	(1,493)	(1,976)
Acquisitions – earnout	26	-	(2,974)
Other expenses		(3,827)	(3,446)
EBITDA		1,925	(5,043)
Depreciation and amortisation	4a	(6,629)	(6,069)
EBIT		(4,704)	(11,112)
Interest income	3c	537	211
Interest expense	4b	(397)	(139)
Loss before income tax		(4,564)	(11,040)
Income tax	5, 16	67	(18)
Net Loss for the year		(4,497)	(11,058)
Total comprehensive income for the year		(4,497)	(11,058)
Earnings per share			
From continuing and discontinued operations:			
Basic earnings per share (cents)	25	($0.01)	($0.03)
Diluted earnings per share (cents)	25	($0.01)	($0.03)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2024

		Consolidated Group	
	Note	2024 $000	2023 $000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	13,145	12,001
Trust funds	7	5,671	4,064
Trade and other receivables	8	6,235	4,371
Other assets	10	930	780
TOTAL CURRENT ASSETS		25,981	21,216
NON-CURRENT ASSETS			
Property, plant and equipment	11	307	297
Financial assets	9	961	1,167
Intangible assets	12	46,832	49,086
Right of use assets	13	4,003	5,077
TOTAL NON-CURRENT ASSETS		52,103	55,627
TOTAL ASSETS		78,084	76,843
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	5,470	3,297
Lease liabilities	13	1,071	1,032
Other liabilities	15	6,201	4,586
Provisions	17	2,396	1,868
TOTAL CURRENT LIABILITIES		15,138	10,783
NON-CURRENT LIABILITIES			
Lease liabilities	4, 13	3,203	4,106
Provisions	17	469	667
TOTAL NON-CURRENT LIABILITIES		3,672	4,773
TOTAL LIABILITIES		18,810	15,556
NET ASSETS		59,274	61,287
EQUITY			
Issued capital	18	101,323	99,684
Reserves	19	5,158	4,313
Accumulated Losses	20	(47,207)	(42,710)
TOTAL EQUITY		59,274	61,287

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2024

	Ordinary Share Capital	Retained Earnings	Reserves	Total
	$000	$000	$000	$000
Balance at 1 July 2022	89,307	(31,652)	2,734	60,389
Other comprehensive income	–	–	–	–
Loss for the year	–	(11,058)	–	(11,058)
Total comprehensive income for the year	–	(11,058)	–	(11,058)
Transactions with owners, in their capacity as owners, and other transfers				
Transaction costs	(419)	–	–	(419)
Share-based payments	443	–	1,579	2,022
Shares issued during the period	10,353	–	–	10,353
Total transactions with owners and other transfers	10,377	-	1,579	11,956
Balance at 30 June 2023	99,684	(42,710)	4,313	61,287
Balance at 1 July 2023	99,684	(42,710)	4,313	61,287
Other comprehensive income	–	–	–	–
Loss for the year	–	(4,497)	–	(4,497)
Total comprehensive income for the year	–	(4,497)	–	(4,497)
Transactions with owners, in their capacity as owners, and other transfers				
Transaction costs	-	–	–	-
Share-based payments	-	–	1,033	1,033
Shares issued during the period	1,039	–	(188)	851
Issue of ordinary shares as consideration for a business combination, net of transaction costs and tax	600	-	-	600
Total transactions with owners and other transfers	1,639	–	845	2,484
Balance at 30 June 2024	101,323	(47,207)	5,158	59,274

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

		Consolidated Group	
	Note	2024 $000	2023 $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		44,948	38,699
Payments to suppliers and employees		(41,254)	(38,493)
Acquisitions – Earnout		-	(2,988)
Net cash from / (used in) operating activities	28a	3,694	(2,782)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	11a	(192)	(169)
Payment for purchase of business	26	(710)	–
Capitalised development costs		(1,345)	(1,586)
Receipts / (payments) – other		43	(287)
Net cash used in investing activities		(2,204)	(2,042)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of transaction costs		500	7,581
Repayment of lease liabilities	13b	(1,105)	(960)
Proceeds from funding arrangements		259	-
Net cash (used in) / provided by financing activities		(346)	6,621
Net increase/(decrease) in cash and cash equivalents		1,144	1,797
Cash and cash equivalents at the beginning of financial year		12,001	10,204
Cash and cash equivalents at the end of financial year	6	13,145	12,001

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

The consolidated financial statements and notes represent those of Credit Clear Limited and Controlled Entities (the Group).

The financial statements were authorised for issue on 28 August 2024 by the directors of Credit Clear Limited.

Note 1: Summary of Material Accounting Policies

Basis of Preparation

These general purpose consolidated financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets, financial liabilities and share based payments.

(a) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the Parent (Credit Clear Limited) and all of the subsidiaries (including any structured entities). Subsidiaries are entities the Parent controls.

The Parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 26.

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

Business combinations

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

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

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

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

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

Goodwill

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

(i) the consideration transferred at fair value; and

(ii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

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

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests are adjusted to reflect the changes in their relative interests in the subsidiaries.

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

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

(b) Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income for the current period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year. Deferred tax assets for unused tax losses have not been recognised.

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

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from: (a) the initial recognition of goodwill; or (b) the initial recognition of an asset or liability in a transaction which: (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised, unless the deferred tax asset relating to temporary differences arises from the initial recognition of an asset or liability in a transaction that:

- is not a business combination; and
- at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

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

To the extent that uncertainty exists as it relates to the acceptability by a taxing authority of the company's tax treatments, the company estimates the probability of acceptance by the taxing authority and, where acceptance is not probable, recognises the expected value of the uncertainty in either income tax expense or other comprehensive income, as appropriate.

Tax consolidation

The company and its wholly-owned Australian resident entities form a tax-consolidated Group and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated Group is Credit Clear Limited. The members of the tax-consolidated Group are identified in Note 26 and represent all entities which have a principal place of business in Australia. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated Group are recognised in the separate financial statements of the members of the tax-consolidated Group using the "separate taxpayer within group" approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax-consolidated Group are recognised by the Company (as head entity in the tax-consolidated Group). Due to the tax funding arrangement between the entities in the tax-consolidated Group, amounts are recognised as payable to or receivable by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the Parent Entity and the other members of the tax-consolidated Group in accordance with the arrangement.

(c) Fair Value of Assets and Liabilities

Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

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

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

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

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

(d) Plant and Equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1(g) for details of impairment).

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

Depreciation

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

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

Class of Fixed Asset	Depreciation Rate
Plant & equipment	10% – 50%
Office equipment	20% – 50%

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

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

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. Gains shall not be classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(e) Leases (the Group as lessee)

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Group where the Group is a lessee.

However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- 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;
- lease payments under extension options if 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 right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

(f) Financial Instruments

Initial recognition and measurement

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

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value.

In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial assets

Financial assets are subsequently measured at:

- amortised cost.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amounts due from customers under construction contracts); and
- loan commitments that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the simplified approach to impairment, as applicable under AASB 9: *Financial Instruments*:

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: *Revenue from Contracts with Customers* and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (i.e. diversity of customer base, appropriate groupings of historical loss experience, etc).

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

(g) Impairment of Assets

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

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

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

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years.

(h) Intangible Assets other than Goodwill

Brand Names

Brand names are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Brand names are amortised over their useful lives, being a 5 year period.

Customer contracts

Customer contracts obtained as part of the ARMA Group and Credit Solutions acquisitions were recognised at fair value at acquisition date at the time of their purchase. Their carrying value has been amortising since being acquired and will be fully amortised over a 5 year period.

Capitalised Development Expenditure

Research costs are expensed in the period in which they are incurred. Development costs are capitalized when it is probable that the project will be a success considering its commercial and technical feasibility; the group is able to use or sell the asset; the group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 3 years.

(i) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars, which is the Parent Entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate.

Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except exchange differences that arise from net investment hedges.

Group companies

The financial results and position of foreign operations, whose functional currency is different from the Group's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at exchange rates on the date of transaction; and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position and allocated to non-controlling interest where relevant. The cumulative amount of these differences is reclassified into profit or loss in the period in which the operation is disposed of.

(j) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service.

Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations.

Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

Equity-settled compensation

The Group operates an employee share and option plan. Share-based payments to employees are measured at the fair value of the instruments at grant date and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amounts are recognised in the option reserve and statement of profit and loss respectively. The fair value of options is determined using either the Hoadley or Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

(k) Provisions

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

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

(l) Cash and Cash Equivalents

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

(m) Revenue and Other Income

Revenue from contracts with customers

Sales to external customers are recognised when the performance obligations are delivered over time. Once a contract has been entered into, the Group has an enforceable right to payment in exchange for services provided to date. For service or performance obligations satisfied over time, the Group measures the progress of its obligations over a contract service period to determine how much revenue should be recognised as the performance obligations are satisfied. Contracts with customers are presented in the Group's statement of financial position as a receivable, depending on the relationship between the Group's performance and the customers payment. Similarly, the Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. In effect, the consolidation entity recognises revenue from the provision of services over the period the contractually agreed tasks or service obligations are completed.

Revenue recognition

Revenue generated by the Group is categorised into the following reportable segments:

- Receivable collections, and
- Legal services.

See Note 2 for detailed disclosures on reportable segments.

Receivable Collections

Represents the provision of receivable collection services using a combination of technology solutions as well as traditional collection methods.

Legal Services

Legal Services: provides specialised credit legal services, which when combined with the Receivables Collections business, allows Credit Clear to provide a full service end to end offering for its clients. Revenue is recognised on a time and materials basis.

(n) Trust Funds

The Group holds funds on trust as a part of the debt collection services. The Group holds a separate trust bank account and raises a liability equal to the balance of the trust account, representing that the funds are held in trust and that they are payable to various clients.

(o) Goods and Services Tax (GST)

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

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

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

(p) Government Grants

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(q) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group retrospectively applies an accounting policy, makes a retrospective restatement or reclassifies items in its financial statements, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

(r) Rounding of Amounts

The Parent Entity has applied the relief available to it under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Accordingly, amounts in the financial statements have been rounded off to the nearest $1,000.

(s) Adoption of new and revised accounting standards

The group has applied the following standards and amendments for the first time for its annual

reporting period commencing 1 July 2023:

• AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies Definition of Accounting Estimates [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2].

The adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Group.

New accounting standards and interpretations not yet mandatory or early adopted

Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group does not expect the adoption of these standards to have any impact on the reported position or performance of the Group.

(t) Critical Accounting Estimates and Judgements

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

Key estimates

(i) Impairment

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

With respect to cash flow projections for receivable collections activity based in Australia, growth rates of 16% on average have been factored into valuation models for the next 5 years on the basis of management's expectations regarding the Group's continued ability to capture market share from competitors. Cash flow growth rates of 3% subsequent to this period have been used. The rates used incorporate an allowance for inflation. Pre-tax discount rates of 13.1% have been used in all models.

No impairment has been recognised at the end of the reporting period.

The Directors and management have considered and assessed reasonably possible changes for the key assumptions and have not identified any instances that could cause the carrying amounts to exceed the respective recoverable amounts.

Key judgements

(i) Lease term and Option to Extend under AASB 16

The lease term is defined as the non-cancellable period of a lease together with both periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and also periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. The decision on whether or not the options to extend are reasonably going to be exercised is a key management judgement that the entity will make.

The Group determines the likeliness to exercise on a lease-by-lease basis looking at various factors such as which assets are strategic and which are key to future strategy of the entity.

(ii) Provision for expected credit losses

Included in accounts receivable is an assessment of the expected credit loss on each debtor from the date of the amount owed. Thes assessment is based on an estimate of the amount that is expected to be received based on past experience. A provision for expected credit losses amounting to $130,495 has been made.

(iii) Technology Development

The Group capitalises expenditure relating to technology development in relation to its digital collection system where it is considered likely to be recoverable from associated activity in future periods. An assessment is made on whether capitalised technology development will generate future revenue. This is judged and based on a useful life of three years. Such capitalised expenditure is carried at the end of the reporting period at $2,011,292.

Note 2: Operating Segments

(a) General Information

Identification of reportable segments

The group has identified its operating segments to be the two major areas of services provided to customers; Receivable Collections and Legal Services.

Receivable Collections: represents the provision of receivable collection services using a combination of technology solutions as well as traditional collection methods.

Legal Services: provides specialised credit legal services, which when combined with the Receivables Collections business, allows Credit Clear to provide a full service end to end offering for its clients.

Head Office is unallocated and not an operating segment. It represents Group overheads, corporate head office, Group tax balances, financing, payroll and treasury functions.

Revenue categorisation

Revenue is generated by the Group and is categorised into the reportable segments disclosed below.

These operating segments are based on the internal reports that are reviewed and used by the Chief Executive Officer (who is identified as the Chief Operating Decision Maker ('CODM') in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments. The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

(b) Basis of Accounting for Purposes of Reporting by Operating Segments

Intersegment transactions

Internal transfer pricing is based on what would be realised in the event the sale was made to an external party at arm's length. All such transactions are eliminated on consolidation of the Group's financial statements.

Intersegment loans payable and receivable are initially recognised at the consideration received/to be received net of transaction costs and are on commercial terms.

(c) Segment assets

Where an asset is used across multiple segments, the asset is allocated to the segment that receives the majority of the economic value from the asset. In most instances, segment assets are clearly identifiable on the basis of their nature.

(d) Segment liabilities

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and other liabilities with a direct nexus to the liability.

Segment information

(i) Segment performance

	Collections $000	Legal Services $000	Head Office $000	Total $000
30 June 2024				
Revenue				
External sales	34,847	7,154	–	42,001
Other income	241	–	–	241
Total segment revenue	35,088	7,154	–	42,242
EBITDA	8,664	1,188	(7,927)	1,925
Depreciation and amortisation	(6,629)	–	-	(6,629)
Interest revenue	–	–	537	537
Interest expense	–	–	(397)	(397)
Segment net profit/(loss) before tax	2,035	1,188	(7,787)	(4,564)
Tax expense	–	–	67	67
Net profit/(loss) after tax	2,035	1,188	(7,720)	(4,497)

	Collections $000	Legal Services $000	Head Office $000	Total $000
30 June 2023 Revenue				
External sales	29,703	5,248	–	34,951
Other income	1,007	–	–	1,007
Total segment revenue	30,710	5,248	–	35,958
EBITDA	6,039	598	(11,680)	(5,043)
Depreciation and amortisation	–	–	(6,069)	(6,069)
Interest revenue	–	–	211	211
Interest expense	–	–	(139)	(139)
Segment net profit/(loss) before tax	6,039	598	(17,677)	(11,040)
Tax benefit	–	–	(18)	(18)
Net profit/(loss) after tax	6,039	598	(17,695)	(11,058)

(ii) Segment assets

	Collections $000	Legal Services $000	Head Office $000	Total $000
30 June 2024 Segment assets	63,846	1,093	13,145	78,084
30 June 2023 Segment assets	64,507	335	12,001	76,843

(iii) Segment liabilities

	Collections $000	Legal Services $000	Head Office $000	Total $000
30 June 2024 Segment liabilities	17,070	1,740	–	18,810
30 June 2023 Segment liabilities	14,590	966	–	15,556

Note 3: Revenue and Other Income

(a) Disaggregated revenue

The Group has disaggregated revenue into various categories in the following table. The revenue is disaggregated by geographical market, products/service lines and timing of revenue recognition.

	Collections		Legal Services		Total	
Year to 30 June	**2024 $000**	**2023 $000**	**2024 $000**	**2023 $000**	**2024 $000**	**2023 $000**
Geographical markets						
Australia	34,553	29,443	7,154	5,248	41,707	34,691
New Zealand	294	260	–	-	294	260
	34,847	29,703	7,154	5,248	42,001	34,951

(b) Other income

	2024 $000	2023 $000
Government employment subsidies	241	1,007
Total other income	241	1,007

(c) Interest income

	2024 $000	2023 $000
Interest income	537	211
Total interest income	537	211

Note 4: Expenses

Profit before income tax from continuing operations includes the following specific expenses:

(a) Depreciation and amortisation

	Consolidated Group	
	2024 $000	**2023 $000**
Depreciation	190	234
Amortisation:		
– right of use asset	1,316	962
– office makegood	(3)	144
– intangibles	5,126	4,729
Total depreciation and amortisation	6,629	6,069

(b) Interest expense

	Consolidated Group	
	2024 $000	**2023 $000**
– lease liabilities	379	138
– other	18	1
	397	139

Note 5: Tax Expense

	Consolidated Group	
	2024 $000	2023 $000
(a) The components of tax expense/(benefit) comprise:		
Current tax	67	(18)
Deferred tax	–	–
	67	(18)
(b) The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to income tax as follows:		
Prima facie tax benefit on loss from ordinary activities	(1,141)	(2,760)
before average income tax at 25% (2023: 25%)		
Add:		
Tax effect of:		
– Share Based Payments	354	452
– Amortisation	274	273
– Earn outs	-	744
– Non-deductible expenses	28	38
Less:	(485)	(1,253)
Tax effect of:		
Current year losses not recognised	485	1,270
Recognition of Deferred Tax Asset on Acquisition	67	–
Income tax attributable to entity	67	(18)

Note 6: Cash and Cash Equivalents

	Consolidated Group	
	2024 $000	2023 $000
Cash at bank and on hand	13,145	12,001
	13,145	12,001

Reconciliation of cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

	Consolidated Group	
	2023 $000	2023 $000
Cash and cash equivalents	13,145	12,001
	13,145	12,001

Note 7: Trust Funds

	Consolidated Group	
	2024 $000	2023 $000
Trust funds held	5,671	4,064
	5,671	4,064

As part of the collections process, funds received are held in trust on behalf of clients. Refer to Note 15 for trust fund liability owed by the Group and Note 1(n) for further information on the Group's Trust Fund policy.

Note 8: Trade and Other Receivables

	Consolidated Group	
	2024 $000	2023 $000
CURRENT		
Trade receivables	6,343	4,758
Provisions for expected credit loss	(130)	(434)
	6,213	4,324
Other receivables	22	47
	22	47
Total current trade and other receivables	6,235	4,371

Trade receivables are non-interest bearing ranging from 15 to 45 day terms. An impairment loss is recognised based on an expected credit loss model. The Group assesses the expected credit loss based on individual debtor level expectations relative to credit terms.

Impairment of receivables

The Group applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 30 June 2024 is determined as follows, the expected credit losses incorporate forward looking information.

30 June 2024	Current	< 30 days overdue	< 90 days overdue	> 90 days overdue	Total
Expected loss rate (%)	0.00	0.00	0.00	30.81	2.04
Gross carrying amount ($)	3,203	1,653	1,065	422	6,343
ECL provision	–	–	-	130	130

30 June 2023	Current	< 30 days overdue	< 90 days overdue	> 90 days overdue	Total
Expected loss rate (%)	0.00	0.00	10.45	67.36	9.12
Gross carrying amount ($)	2,919	790	479	570	4,758
ECL provision	–	–	50	384	434

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, 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 conditions at the reporting date.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

Credit risk

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as "trade and other receivables" is considered to be the main source of credit risk related to the Group.

On a geographical basis, the Group has significant credit risk exposures in Australia.

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; for example, when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier.

Note 9: Financial Assets

The Group has recognised the following financial assets:

	Consolidated Group	
	2024 $000	2023 $000
NON-CURRENT Term deposits held	961	1,167
	961	1,167

Term deposits relate to office security bonds and are restricted in accordance with respective lease agreement terms.

Note 10: Other Assets

	Consolidated Group	
	2024 $000	2023 $000
CURRENT		
Prepayments	722	474
Other related parties (Refer to Note 30)	208	306
	930	780

Note 11: Property, Plant and Equipment

	Consolidated Group	
	2024 $000	2023 $000
Office equipment:		
At cost	676	411
Accumulated depreciation	(433)	(208)
	243	203
Computer equipment:		
At cost	258	230
Accumulated depreciation	(200)	(152)
	58	78
Leasehold Improvements		
At cost	36	28
Accumulated depreciation	(30)	(12)
	6	16
Total property, plant and equipment	307	297

(a) Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Leasehold Improvements	Computer & Office Equipment	Total
Consolidated Group:	$000	$000	$000
Balance at 1 July 2022	25	386	411
Additions	–	169	169
Disposals	–	(53)	(53)
Acquisitions Through Business Combinations	–	–	–
Depreciation Expense	(9)	(221)	(230)
Balance as at 30 June 2023	16	281	297

	Leasehold Improvements	Computer & Office Equipment	Total
Consolidated Group:	$000	$000	$000
Balance at 1 July 2023	16	281	297
Additions	–	192	192
Disposals	–	–	–
Acquisitions Through Business Combinations	8	101	109
Depreciation Expense	(18)	(273)	(291)
Balance as at 30 June 2024	6	301	307

Note 12: Intangible Assets

Consolidated Group:	Capitalised Development Expenditure $000	Goodwill $000	Brand Names $000	Customer Contracts $000	Total $000
Year ended 30 June 2023					
Balance at the beginning of the year	1,178	35,737	477	14,834	52,226
Internal development	1,586	–	–	–	1,586
Additions through business combination 26b	–	–	–	–	–
Amortisation charge	(870)	–	(104)	(3,752)	(4,726)
Closing value at 30 June 2023	1,894	35,737	373	11,082	49,086
Year ended 30 June 2024					
Balance at the beginning of the year	1,894	35,737	373	11,082	49,086
Internal development	1,345	–	–	–	1,345
Additions through business combination 26b	–	1,147	–	380	1,527
Amortisation charge	(1,224)	–	(104)	(3,798)	(5,126)
Closing value at 30 June 2024	2,015	36,884	269	7,664	46,832

Impairment disclosures

Intangible assets are allocated to cash-generating units which are based on the Group's reporting segments:

	2024 $000	2023 $000
Receivable collections	46,832	49,086
Legal services	–	–
Total	46,832	49,086

The recoverable amount of each cash-generating unit above is determined based on value-in-use calculations.

Value-in-use is calculated based on the present value of cash flow projections over a five-year period with the period extending beyond five years extrapolated using an estimated terminal growth rate. The cash flows are discounted using the yield of a five-year weighted average cost of capital (WACC) at the beginning of the budget period. A revenue growth rate of 20% was used for FY25, 15% for FY26, 15% for FY27, 15% for FY28 and 15% for FY29. A pre-tax weighted average cost of capital rate of 13.1% was also used in the calculation.

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

	Terminal Growth Rate	Discount Rate
Receivable collections	3%	13.1%

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

Note 13: Right of Use Assets and Lease Liabilities

The Group's lease portfolio relates to offices. These leases have an average of 2.86 years as their lease term.

The option to extend are contained in several of the property leases of the Group. These clauses provide the Group opportunities to manage leases in order to align with its strategies. All the extension options are only exercisable by the Group.

(a) AASB 16 related amounts recognised in the balance sheet

Right of use assets

	2024 $000	2023 $000
Leased office premises	5,630	6,684
Accumulated depreciation	(1,627)	(1,607)
Total Right of use asset	4,003	5,077
Movement in carrying amounts:		
Leased office premises:		
Opening net carrying amount	5,077	1,659
Additions, exercise of lease extension options	242	4,829
Disposals	-	(797)
Amortisation expense	(1,316)	(614)
Net carrying amount	4,003	5,077

1. The Group entered into a 3 year office lease agreement commencing 1 August 2024 for its Melbourne office. The total financial commitment for the duration of lease amounts to $406,911. Annual rent commences at $140,832 with annual increases of 3.5%. No fitout costs were incurred. The only makegood requirement is to leave the office in its original condition.

(b) AASB 16 related amounts recognised in the statement of profit or loss

	2024 $	2023 $
Amortisation charge related to right-of-use assets	1,316	962
Interest expense on lease liabilities	379	138

	2024 $000	2023 $000
Total cash outflows for leases	1,105	960

	2024 $000	2023 $000
Lease Liabilities		
Current	1,071	1,032
Non-current	3,203	4,106

Note 14: Trade and Other Payables

	Consolidated Group	
	2024 $000	2023 $000
CURRENT		
Unsecured liabilities:		
Trade payables	1,536	1,197
Sundry payables and accrued expenses	3,934	2,100
	5,470	3,297

Note 15: Other Current Liabilities

		Consolidated Group	
	Note	2024 $000	2023 $000
Trust fund liabilities	7	5,671	4,064
Unearned revenue		530	522
		6,201	4,586

Note 16: Tax

	Consolidated Group	
	2024 $000	2023 $000
CURRENT		
Income tax payable	–	–

	Opening Balance $000	Recognized in Profit and Loss $000	Recognised Directly to Equity $000	Other $000	Exchange Differences $000	Closing Balance $000
NON CURRENT						
Deferred tax assets						
Employee provisions	563	135	–	–	–	698
Accruals	267	196	–	–	–	463
Lease liabilities	1,284	(216)	–	–	–	1,068
Provision for doubtful debts	95	(62)	–	–	–	33
Provision for make good	58	(58)	–	–	–	-
Black hole expenses	424	(160)	–	–	–	264
Tax Losses	1,523	(692)	–	–	–	831
Balance 30 June 2024	4,214	(857)	–	–	–	3,357
Deferred tax liabilities						
Right of use assets	1,265	(265)	–	–	–	1,000
Capitalised development costs	473	30	–	–	–	503
Amortisation of Intangible Assets	2,476	(622)	–	–	–	1,854
Balance 30 June 2024	4,214	(857)	–	–	–	3,357

The amount of deductible temporary differences and unused tax losses for which no deferred tax assets have been brought to account:

- temporary differences $nil (2023: $nil); and
- tax losses: operating losses $5,430,900 (2023: $4,647,671).

The benefits of the above temporary differences and unused tax losses will only be realised if the conditions for deductibility set out in Note 1(b) occur. These amounts have no expiry date.

Note 17: Provisions

Analysis of total provisions

	Consolidated Group	
	2024 $000	**2023 $000**
CURRENT		
Annual leave	1,551	1,306
Long service leave	845	562
	2,396	1,868
NON-CURRENT		
Long service leave	409	421
Office Make Good	60	246
	469	667
	2,865	2,535

Provision for Employee Benefits

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

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

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on historical data. The measurement and recognition criteria relating to employee benefits have been discussed in Note 1(j).

Note 18: Issued Capital

	2024 $000	2023 $000
417,697,656 (2023: 410,036,983) fully paid ordinary shares	101,323	99,684
	101,323	99,684

	Consolidated Group			
	2024 $	2023 $	2024 No.	2023 No.
(a) Ordinary Shares				
At the beginning of the reporting period	103,573,770	92,777,916	410,036,983	366,918,261
Shares issued during the year:				
– 7 December 2022		293,163		703,028
– 7 December 2022		47,998		107,620
– 2 March 2023		48,125		115,964
– 30 March 2023		1,991,813		5,418,713
– 15 May 2023		8,000,000		34,782,608
– 1 May 2023		53,644		185,234
– 8 June 2023		361,111		1,805,555
– 12 July 2023	500,000		2,173,913	
– 12 July 2023	17,416		91,666	
– 12 July 2023	50,338		239,702	
– 31 October 2023	188,036		427,353	
– 9 November 2023	44,133		245,185	
– 1 December 2023	600,000		3,367,003	
– 11 December 2023	103,906		546,874	
– 9 January 2024	45,438		227,187	
– 29 February 2024	27,000		100,000	
– 8 May 2024	62,865		241,790	
At the end of the reporting period	105,212,902	103,573,770	417,697,656	410,036,983

On 12 July 2023, 2,173,913 shares were issued to Directors as part of a capital raise to fund future business growth.

On 12 July 2023, 91,666 shares were issued to employees as part of their remuneration.

On 12 July 2023, 9 November 2023, 9 January 2024 and 8 May'2024, the Group issued 953,864 shares to a manager as part of their employment terms in lieu of commission on revenue generated from clients which he introduced to the company.

On 31 October 2023, 427,353 shares were issued to employees from the conversion of share rights which vested during the year.

On 1 December 2023, 3,367,003 shares were issued as part of the equity component of the consideration paid for the DRA Group acquisition.

11 November 2023, 546,874 shares were issued to directors in lieu of director fees in accordance with shareholder approval received at the 2023 annual general meeting

On 29 February 2024, 100,000 shares were issued to an employee in lieu of their remuneration.

Ordinary shares participate in dividends and the proceeds on winding-up of the Parent Entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.

(b) Options

(i)For information relating to the Credit Clear Limited employee option plan, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 22.

(ii)For information relating to share options and rights issued to key management personnel during the financial year, refer to Note 22.

(c) Capital Management

Management controls the capital of the Group to maintain adequate equity in the business, generate long term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital and is supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

Note 19: Reserves

(a) Share-based payments reserve

The share-based payments reserve records items recognised as expenses on valuation of employee share options/rights.

	Consolidated Group	
	2024 $000	**2023 $000**
Opening balance	4,313	2,734
Options/rights granted	1,232	2,630
Options/rights vested	(188)	-
Options/rights forfeited	(199)	(1,051)
Closing balance	5,158	4,313

Options and Rights on issue 30 June 2024

Issue	Expiry Date	Exercise Price	Opening Balance 1 July 2023	Issued	Exercised or Vested	Forfeited	Closing Balance 30 June 2024
Options – Employees	1 Oct '32	$0.50	2,000,000	–	–	–	2,000,000
Options – Employees	1 Oct '32	$0.55	2,000,000	–	–	–	2,000,000
Options – Employees	1 Oct '33	$0.60	500,000	–	–	–	500,000
Options – Directors	8 Oct '32	$0.50	6,800,000	–	–	–	6,800,000
Options – Employees	8 Oct '33	$0.577	5,445,000	–	–	5,445,000	-
Options – KMP	8 Oct '33	$0.577	650,000	–	–	650,000	-
Options – Directors	30 Nov '25	$0.60	4,000,000	-	–	–	4,000,000
Options – KMP	30 Nov '25	$0.60	2,000,000	-	-	-	2,000,000
Options – KMP	30 Sep '25	$0.60	1,500,000	-	-	1,500,000	-
Options – Employees	30 Sep '25	$0.60	9,000,000	-	-	9,000,000	-
Options – Employees	28 Oct '25	$0.60	200,000	-	-	-	200,000
Options – Employees	24 Nov '32	$0.577	10,000	-	-	10,000	-
Option – Employees	14 Oct '25	$0.60	500,000	-	-	500,000	-
Rights – KMP	31 Oct '23	$0.00	106,838	-	106,838	-	-
Rights – Employees	31 Oct '23	$0.00	320,515	-	320,515	-	-
Rights – KMP	31 Aug'24	$0.00	-	243,902	-	-	243,902
Rights – Employees	31 Aug'24	$0.00	-	2,341,463	-	-	2,341,463
Rights – KMP	31 Dec'24	$0.00	-	253,731	-	5,075	248,657
Rights – Employees	31 Dec'24	$0.00	-	2,359,602	-	417,341	1,942,261
Rights – KMP	31 Dec'25	$0.00	-	190,299	-	3,806	186,493
Rights – Employees	31 Dec'25	$0.00	-	2,356,766	-	295,692	2,061,074
Rights – Employees	31 Dec'24	$0.00	-	694,442	-	-	694,442
Rights – KMP	30 Jun'25	$0.00	-	212,500	-	-	212,500
Rights – Employees	30 Jun'25	$0.00	-	3,045,672	-	-	3,045,672
Rights – KMP	30 Jun'26	$0.00	-	159,375	-	-	159,375
Rights – Employees	30 Jun'26	$0.00	-	2,594,883	-	-	2,594,883
Options – KMP	30 Jun'27	$0.31	-	1,500,000	-	-	1,500,000
Options – Employees	30 Jun'27	$0.31	-	8,750,000	-	-	8,750,000
Options – KMP	30 Jun'27	$0.31	-	500,000	-	-	500,000
Options - Employees	30 Jun'27	$0.31	-	8,250,000	-	-	8,250,000
			35,032,353	33,452,635	427,353	17,826,914	50,230,721

Options and Rights on issue 30 June 2023

Issue	Expiry Date	Exercise Price	Opening Balance 1 July 2022	Issued	Exercised	Forfeited	Closing Balance 30 June 2023
Options – KMP's	8 Oct '32	$0.50	5,000,000	–	–	5,000,000	–
Options – Employees	8 Oct '32	$0.50	6,520,000	–	–	6,520,000	–
Options – Employees	1 Oct '32	$0.50	2,000,000	–	–	–	2,000,000
Options – Employees	1 Oct '32	$0.55	2,000,000	–	–	–	2,000,000
Options – Employees	1 Oct '33	$0.60	500,000	–	–	–	500,000
Options – Directors	8 Oct '32	$0.50	6,800,000	–	–	–	6,800,000
Options – Employees	8 Oct '33	$0.577	6,325,000	–	–	880,000	5,445,000
Options – KMP's	8 Oct '33	$0.577	1,150,000	–	–	500,000	650,000
Options – Directors	30 Nov '25	$0.60	–	4,000,000	–	–	4,000,000
Options – KMP's	30 Nov '25	$0.60		2,000,000			2,000,000
Options – KMP's	30 Sep '25	$0.60	–	1,500,000	–	–	1,500,000
Options – Employees	30 Sep '25	$0.60	–	13,000,000	–	4,000,000	9,000,000
Options – Employees	28 Oct '25	$0.60	–	200,000	–	–	200,000
Options – Employees	24 Nov '32	$0.577	–	10,000	–	–	10,000
Option – Employees	14 Oct '25	$0.60	–	500,000	–	–	500,000
Rights – KMP's	31 Oct '23	$0.00	–	106,838	–	–	106,838
Rights – Employees	31 Oct '23	$0.00	–	384,618	–	64,103	320,515
Rights – KMP's	30 Jun '23	$0.00	–	190,705	–	190,705	–
Rights – Employees	30 Jun '23	$0.00	–	2,090,481	–	2,090,481	–
			30,295,000	23,982,642	–	19,245,289	35,032,353

Note 20: Accumulated Losses

	Consolidated Group	
	2024 $000	2023 $000
Accumulated losses at the beginning of the financial year	(42,710)	(31,652)
Loss after income tax expense for the year	(4,497)	(11,058)
Accumulated losses at the end of the financial year	(47,207)	(42,710)

Note 21: Parent Information

The parent entity is Credit Clear Limited and a list of subsidiaries can be found at note 26.

The parent entity did not have any contingent liabilities as at 30 June 2024 or 30 June 2023.

As at 30 June 2024, the parent did not have any contractual commitments other than as disclosed as lease liabilities at note 13.

The following information has been extracted from the books and records of the financial information of the Parent Entity set out below and has been prepared in accordance with Australian Accounting Standards.

	2024 $000	2023 $000
Statement of Financial Position		
ASSETS		
Current assets	15,671	13,919
Non-current assets	48,798	50,777
TOTAL ASSETS	64,469	64,696
LIABILITIES		
Current liabilities	23,219	12,062
Non-current liabilities	766	561
TOTAL LIABILITIES	23,985	12,623
EQUITY		
Issued capital	101,323	99,684
Accumulated Losses	(65,997)	(51,924)
Reserves	5,158	4,313
TOTAL EQUITY	40,484	52,073

	2024 $000	2023 $000
Statement of Profit or Loss and Other Comprehensive Income		
Total loss	(14,072)	(18,122)
Total comprehensive income	(14,072)	(18,122)

Note 22: Key Management Personnel Compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2024. The totals of remuneration paid to KMP of the Company and the Group during the year are as follows:

	2024 $000	2023 $000
Short-term employee benefits	784	1,556
Long-term employee benefits	60	57
Share-based payments	445	1,667
Total KMP compensation	1,289	3,280

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP as well as the earnout payment to Andrew Smith in 2023.

Long-term employee benefits

These amounts include compulsory superannuation contributions.

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date.

Further information in relation to KMP remuneration can be found in the directors' report.

Share-based Payments

(a)Credit Clear Limited has in place two share option offers:

Key management personnel and employee share options and rights

The number available to be granted is determined by the Board, based on performance measures.

Additionally, options are granted subject to continued employment with Credit Clear Limited and subject to either the vesting share price or exercise price being achieved on the vesting date. The options vest fully at the vesting date if the vesting price or exercise price is achieved on the vesting date.

Should the performance criteria not be met for a particular year, the portion of the options which were available for vesting for that year shall be considered forfeited.

Non-Executive Directors share options

Terms of options issued to non-executive directors do not have a vesting share price and vest immediately. This is consistent with ASX guidelines to promote long-term based decision making for the company.

Employee share options and rights

During the year, 17,000,000 share options were granted to employees under the Credit Clear Limited Employee Share Option Scheme to take up ordinary shares at an exercise price of $0.31 each. The options are exercisable on 30 June 2026 if the exercise price of $0.31 is achieved. The options hold no voting or dividend rights and are not transferable.

During the year, the following share rights were granted to employees under the Credit Clear Limited Employee Share Option Scheme to convert to ordinary shares:

a. 2,341,463 rights subject to service conditions with a vesting date of 31 August 2024

b. 2,359,602 rights subject to financial performance and service conditions with a vesting date of 31 December 2024

c. 2,356,766 rights subject to financial performance and service conditions with a vesting date of 31 December 2025

d. 694,442 rights subject to service conditions with a vesting date of 31 December 2024

e. 3,045,671 rights subject to financial performance and service conditions with a vesting date of 30 June 2025

f. 2,594,883 rights subject to financial performance and service conditions with a vesting date of 3o June 2026

The rights hold no voting or dividend rights and are not transferable.

Additionally, 721,914 share rights were granted to employees under the Credit Clear Limited Employee Share Option Scheme to convert to ordinary shares. The rights were subject to business performance conditions which were not met during the 2024 financial year. They were subsequently forfeited.

(b)Options and rights granted to key management personnel are as follows:

Grant Date	Number
22 September 2023 – Rights	243,902
30 November 2023 – Rights	435,150
5 June 2024 – Rights	371,875
5 June 2024 - Options	500,000
	1,550,927

Details of these options and rights are provided in the directors' report. They hold no voting or dividend rights and are not transferable. Options and rights lapse when a KMP who is an employee ceases their employment with the Group although the board has discretion for them to continue beyond cessation of employment.
No options vested with key management personnel during the year. The quantity of rights vested during the year amounted to 106,838 (2023: Nil).

(c)A summary of the movements of all options and rights issued to key management personnel is as follows:

	Number	Weighted Average Exercise Price
Options and Rights outstanding as at 1 July 2022	12,950,000	$0.51
Granted	7,797,543	$0.60
Forfeited	(5,690,705)	$0.50
Exercised	–	–
Expired	–	–
Other movements	(3,500,000)	$0.50
Options and rights outstanding as at 30 June 2023	11,556,838	$0.54

	Number	Weighted Average Exercise Price
Options and Rights outstanding as at 1 July 2023	11,556,838	$0.54
Granted	1,559,807*	$0.11
Forfeited	(658,881)	$0.58
Exercised	(106,838)	$0.00
Expired	–	–
Other movements	(3,300,000)	$0.50
Options exercisable as at 30 June 2024	6,000,000	$0.60
Options exercisable as at 30 June 2023	6,000,000	$0.60

*Excludes replacement options issued.

The weighted average remaining life of options outstanding at year-end was 1.81 years. The weighted average exercise price of outstanding shares at the end of the reporting period was $0.53.

The fair value of the options granted to employees is considered to represent the value of the employee services received over the vesting period.

The weighted average fair value of options granted during the year was $0.0787 (2023: $0.11). These values were calculated using the Black Scholes option pricing model applying the following inputs:

Weighted average exercise price:	$0.31
Weighted average life of the option:	3.07 years
Expected share price volatility:	55%
Risk-free interest rate:	3.938%

The share price has also been used as inputs into the Black Scholes Valuation model in order to determine the fair value of share options granted.

Historical share price volatility has been the basis for determining expected share price volatility as it is assumed that this is indicative of future volatility.

The life of the options is based on expected exercise patterns, which may not eventuate in the future.

(a) There were 546,874 shares issued to directors and key management personal as share based payments during the year (2023: 2,819,568 which includes 2,600,983 shares issued to Andrew Smith as part of the ARMA acquisition earnout).

No payments were Included under employee benefits expense in the statement of profit or loss which relates to equity-settled share-based payment transactions (2023: $Nil).

Note 23: Auditor's Remuneration

	Consolidated Group	
	2024 $	2023 $
Remuneration of the auditor for:		
– auditing or reviewing the financial statements	274,750	255,000
– other auditing services	5,450	5,450
	280,200	260,450

Note 24: Dividends

There were no dividends paid, recommended, or declared during the current or previous financial year.

Note 25: Earnings Per Share

	Consolidated Group	
	2024 $000	2023 $000
Loss after income tax attributable to the owners of Credit Clear Limited	(4,497)	(11,058)

	No.	No.
Weighted average number of ordinary shares used in calculating basic earnings per share	415,342,958	373,317,866
Weighted average number of ordinary shares used in calculating diluted earnings per share	415,342,958	373,317,866

	Cents	Cents
Basic earnings per share	($0.01)	($0.03)
Diluted earnings per share	($0.01)	($0.03)

Share options and rights are considered to be potential ordinary shares but were anti-dilutive in nature for the 30 June 2024 financial year and were not included in the calculation of diluted earnings per share. These options and rights could potentially dilute basic earnings per share in the future.

Note 26: Interests in Subsidiaries

(a) Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

		Ownership Interest Held by the Group	
Name of Subsidiary	Principal Place of Business	2024 %	2023 %
Credit Clear IP Pty Ltd (formerly Credit Clear International Pty Ltd)	Australia	100	100
Oakbridge Lawyers Pty Ltd	Australia	100	100
Wired Payments Pty Ltd	Australia	100	100
Credit Clear International Pty Ltd	Australia	100	100
Credit Clear Trading Pty Ltd	Australia	100	100
Credit Clear Legal Pty Ltd	Australia	100	100
ARMA Group Holdings Pty Ltd	Australia	100	100
Force Legal Pty Ltd	Australia	100	100
NZ Recoveries Ltd	New Zealand	100	100
ADC Legal Pty Ltd	Australia	100	0
Debt Recoveries Australia Pty Ltd	Australia	100	0
Nova Team Solutions Inc.	Philippines	100	0

(b) Acquisition of DRA Group Entities

On 1 December 2023, Credit Clear Limited acquired a 100% interest in Debt Recoveries Australia Pty Ltd, ADC Legal Pty Ltd and Nova Team Solutions Inc which resulted in obtaining control of the DRA Group. This acquisition has been accounted for on a provisional basis at 30 June 2024.

The following table shows the assets acquired, liabilities assumed and the purchase consideration at the acquisition date.

	Fair Value $
Purchase consideration:	
– Cash	900,000
– Shares issued in Credit Clear Limited	600,000
– Net cash adjustment paid	175,456
Total purchase consideration	**1,675,456**
Assets or liabilities acquired:	
Cash	415,563
Trust funds - clients	138,986
Trade receivables	153,372
Prepayments	85
Other assets	75,271
Fixed assets	7,578
Trade payables	(61,370)
Sundry payables and accrued expenses	(144,842)
Employee provisions	(134,737)
Tax payable	(186,872)
Deferred tax liability	(95,000)
Provision for office makegood	(20,000)
Identifiable assets acquired and liabilities assumed	148,034
Purchase consideration	1,675,456
Less: Identifiable net assets acquired	(148,034)
Intangible Assets Acquired	1,527,422

The Group undertook an internal valuation to calculate the identifiable intangible assets acquired on acquisition of the DRA Group on 1 December 2023. The valuation determined that the Group's intangible asset balances before amortisation are as follows:

Customer List	$380,000
Goodwill	$1,147,422
Intangible Assets Acquired	$1,527,422

Note 27: Contingent Liabilities

There are no material contingent liabilities.

Note 28: Cash Flow Information

	Consolidated Group	
	2024 $000	2023 $000
(a) Reconciliation of Cash Flows from Operating Activities with Loss after Income Tax		
Loss after income tax	(4,497)	(11,058)
Non-cash flows in loss:		
– Amortisation of intangible assets	5,126	4,729
– Amortisation of right of use assets	1,316	962
– Depreciation	189	230
– Share-based payments	1,493	4,329
– Loss on disposal of assets	-	52
– Accrued Interest Revenue	(8)	(17)
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries:		
– (increase)/decrease in trade and other receivables	(1,026)	(676)
– (increase)/decrease in other assets	(204)	(77)
– (decrease)/increase in trade payables and accruals	1,594	(1,933)
– (decrease)/increase in provisions and reserves	(289)	677
Net cash generated by/(used in) operating activities	3,694	(2,782)

(b) Changes in Liabilities arising from Financing Activities

			Non-cash changes	
	1 July 2023 $000	Cash flows	Additional Office leases	30 June 2024 $000
Lease liabilities	5,138	(1,105)	241	4,274
Insurance premium funding	-	259		259
Total	5,138	(846)	241	4,533

Note 29: Events after the Reporting Period

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the group, the results of those operations, or the state of affairs of the group in future financial years.

Note 30: Related Party Transactions

(a) Related parties

The Group's main related parties are as follows:

(i) Entities exercising control over the Group:

The ultimate Parent Entity that exercises control over the Group is Credit Clear Limited, which is incorporated in Australia.

(ii) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 22.

(iii) Other related parties:

Other related parties include entities controlled by the ultimate Parent Entity and entities over which key management personnel have joint control.

(b) Transactions with related parties

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

The following transactions occurred with related parties:

	2024 $000	2023 $000
(i) Casey Consulting Services Pty Ltd		
Office lease recoveries	20	270
Office lease receivable	-	45
(ii) Remitter International Inc		
License fee income	100	200
License fees receivable	-	300
(iii) Australian Recoveries & Mercantile Agents Pty Ltd		
Collection administration fees	(190)	(87)
Collection administration fees payable	(29)	-
(iv) Romano Family Holdings Pty Ltd		
Interest received	12	-
Repayments received	42	-
Fees receivable	208	305

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

The fee receivable from Romano Family Holdings in an amount of $317,000 which relates to a historic legal matter, has now been settled on commercially viable terms which includes instalment payments with full repayment by 1 December 2026. Pursuant to a Deed, the receivable amount has been agreed in the sum of $250,000.

On 9 June 2023, the Company issued 1,805,555 fully paid ordinary shares at a deemed issue price of $0.20 per share to settle and conclude the litigation proceedings with former shareholders Trent Marshall McKendrick and ACN 604 594 621 Pty Ltd (formerly C Capital Pty Ltd) (C Capital Pty Ltd) (together the McKendrick parties).

Note 31: Financial Risk Management

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their values.

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

Financial Risk Management Policies

The Risk and Audit Committee (RAC) has been delegated responsibility by the Board of Directors for, among other issues, managing financial risk exposures of the Group. The RAC monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to counterparty credit risk, foreign currency risk, liquidity risk, and interest rate risk. The RAC meets on quarterly basis and updates are provided to the Board as a standing agenda item.

The RAC's overall risk management strategy seeks to assist the Consolidated Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of credit risk policies and future cash flow requirements.

Specific financial risk exposures and management

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk, and market risk consisting of interest rate risk and foreign currency risk and other price risk. There have been no substantive changes in the types of risks the Group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such as the monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 14 to 45 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the RAC has otherwise assessed as being financially sound.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying amount (net of any provisions) as presented in the statement of financial position.

The Group has no significant concentrations of credit risk with any single counterparty or group of counterparties. However, on a geographical basis, the Group has significant credit risk exposures to Australia given the substantial operations in that country. Details with respect to credit risk of trade and other receivables are provided in Note 8.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed in Note 8.

Credit risk related to balances with banks and other financial institutions is managed by the RAC in accordance with board approvals where required. Such policy requires that surplus funds are only invested with counterparties with a high credit rating.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operating, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets. The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

Consolidated Group	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2024 $000	2023 $000	2024 $000	2023 $000	2024 $000	2023 $000	2024 $000	2023 $000
Financial liabilities due for payment								
Trade and other payables	5,470	3,297	–	–	–	–	5,470	3,297
Lease liabilities	1,071	1,032	3,203	4,106	–	–	4,274	5,138
Total expected outflows	6,541	4,329	3,203	4,106	–	–	9,744	8,435
Financial assets – cash flows realisable								
Cash and cash equivalents	13,145	12,001	–	–	–	–	13,145	12,001
Trade and receivables	6,146	4,371	89	–	–	–	6,235	4,371
Term deposits held	37	260	924	907	–	–	961	1,167
Total anticipated inflows	19,328	16,632	1,013	907	–	–	20,341	17,539
Net (outflow)/inflow on financial instruments	12,787	12,303	(2,190)	(3,199)	–	–	10,597	9,104

(c) Market risk

(i)Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

The financial instruments that primarily expose the Group to interest rate risk are cash, cash equivalents and term deposits.

The table below outlines the interest rate on cash at bank and financial assets:

	2024		2023	
Consolidated Group	Weighted average interest rate %	Balance $000	Weighted average interest rate %	Balance $000
Cash and cash equivalents	3.98	13,145	2.47	12,001
Financial assets	4.42	961	0.14	1,167
		14,106		13,168

The Group is not currently exposed to any material fluctuations in interest rates.

At 30 June 2024, if interest rates had changed by +/– 10 basis points from the year end rates, with all other variables held constant, post tax loss for the year would have changed by $12,654 (2023: $8,644).

(ii) Foreign currency risk

Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the Group holds financial instruments which are other than the AUD functional currency of the Group.

The Group's exposure is limited to its operations in New Zealand. It is not currently exposed to any material fluctuations in foreign currency.

(iii) Price risk

The Group is not exposed to any significant price risk.

Fair Values

Cash and cash equivalents, trade and other receivables, and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

Note 32: Company Details

The registered office of the Company is:

Credit Clear Limited
Building 11, 41-43 Bourke Road
Alexandria NSW 2015

The principal place of business is:

Credit Clear Limited
Building 11, 41-43 Bourke Road
Alexandria NSW 2015

Consolidated Entity Disclosure Statement

AS AT 30 JUNE 2024

Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Country of incorp-oration	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Credit Clear IP Pty Ltd	Body corporate		100	Australia	Australian	n/a
Oakbridge Lawyers Ptd Ltd	Body corporate		100	Australia	Australian	n/a
Wired Payments Pty Ltd	Body corporate		100	Australia	Australian	n/a
Credit Clear International Pty Ltd	Body corporate		100	Australia	Australian	n/a
Credit Clear Trading Pty Ltd	Body corporate		100	Australia	Australian	n/a
Credit Clear Legal Pty Ltd	Body corporate		100	Australia	Australian	n/a
ARMA Group Holdings Pty Ltd	Body corporate		100	Australia	Australian	n/a
Force Legal Pty Ltd	Body corporate		100	Australia	Australian	n/a
NZ Recoveries Pty Ltd	Body corporate		100	New Zealand	Australian	n/a*
ADC Legal Pty Ltd	Body corporate		100	Australia	Australian	n/a
Debt Recoveries Australia Pty Ltd	Body Corporate		100	Australia	Australian	n/a
Nove Team Solutions Inc.	Body corporate		100	Philippines	Foreign	Philippines

*This entity is also a tax resident in its respective country of incorporation.

Basis of preparation
This consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the consolidated entity as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

Directors' Declaration

In accordance with a resolution of the directors of Credit Clear Limited, the directors of the Company declare that:

1. the financial statements and notes, as set out on pages 27 to 67, are in accordance with the *Corporations Act 2001* and:

    a. comply with Australian Accounting Standards applicable to the Entity, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards; and

    b. give a true and fair view of the financial position as at 30 June 2024 and of the performance for the year; ended on that date of the Consolidated Group;

2. in the directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

3. the consolidated entity disclosure statement on page 68 is true and correct, and

4. 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.

Michael Doery
Non-Executive Director

Dated this 28th day of August 2024

Andrew Smith
Director

Dated this 28th day of August 2024

Independent auditor's report

To the members of Credit Clear Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Credit Clear Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

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 Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001
T: 61 3 8603 1000, F: 61 3 8603 1999

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

Our audit focused on where the Group made subjective judgements, for example; significant accounting estimates involving assumptions and inherently uncertain future events.

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 for the current year. The key audit 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. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Carrying value of intangible assets *(Refer to note 12) [$46.8 million]* At 30 June 2024, the Group recognised $36.9 million of goodwill and $9.9 million of other intangible assets with finite lives (together "the intangible assets"). As required under Australian Accounting Standards the Group tests goodwill at least annually for impairment and assesses other non-current assets for indicators of impairment. The Group performed its impairment assessment using a value in use model ("the model"), based on future cash flow forecasts discounted to present value, to estimate the recoverable amount of the cash generating unit. The impairment assessment contains significant judgements, including; • Forecasting future revenue growth rates and the terminal growth rate	We performed the following procedures, amongst others: • Assessed whether the level at which the impairment assessment was performed was consistent with our knowledge of the Group's operations and internal Group reporting. • Assessed whether the cash generating unit appropriately included all directly attributable assets and liabilities. • Assessed whether the valuation methodology utilised is consistent with the requirements of Australian Accounting Standards. • Compared the forecast cash flows used in the model to the most recent budget and business forecasts discussed by the Board. • Assessed whether the forecast cash flows used in the discounted cash flow model were appropriate by;

Key audit matter	How our audit addressed the key audit matter
• Determining an appropriate discount rate. This was considered a key audit matter due to the significance of the carrying value of the intangible assets to the consolidated statement of financial position and judgements and assumptions outlined above in determining the recoverable amount.	- assessing the accuracy of Group's forecasting by comparing a sample of forecast cash flows to actual results for the past two years - assessing the discount rate and terminal growth rate used in the model with reference to external market data, where possible. • Tested the mathematical accuracy of a sample of calculations in the discounted cash flow model. • Evaluated the reasonableness of the disclosures in the financial report in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Credit Clear Limited for the year ended 30 June 2024 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.

PricewaterhouseCoopers

Ben Gargett
Partner

Melbourne
28 August 2024

Additional Information

FOR LISTED PUBLIC COMPANIES

The following information is current as at 20 August 2024:

1. SHAREHOLDING

(a) Distribution of Shareholders

	Number
Category (size of holding):	**Ordinary**
1–1,000	281
1,001–5,000	700
5,001–10,000	388
10,001–100,000	677
100,001 and over	297
	2,343

(b) The number of shareholdings held in less than a marketable parcel was 476 with total shares of 444,997.

(c) The names of the substantial shareholders listed in the holding company's register are:

	Number
Shareholder:	**Ordinary**
UBS NOMINEES PTY LTD	58,157,246
ASJS & ASSOCIATES PTY LTD <ASJS FAMILY A/C>	24,443,328

(d) Voting Rights

The voting rights attaching to each class of equity securities are set out below.

Ordinary Shares

Each ordinary share is entitled to one vote when a poll is called; otherwise each member present at a meeting or by proxy has one vote.

Options

Options carry the standard voting rights available to ordinary shareholders when converted to ordinary shares.

Performance rights

Performance rights carry the standard voting rights available to ordinary shareholders when converted to ordinary shares.

(e) 20 Largest Shareholders – Ordinary Shares

	Name	Number of Ordinary Fully Paid Shares Held	% Held of Issued Ordinary Capital
1	UBS NOMINEES PTY LTD	58,157,246	13.92
2	ASJS & ASSOCIATES PTY LTD <ASJS FAMILY A/C>	24,443,328	5.85
3	CITICORP NOMINEES PTY LIMITED	18,729,657	4.48
4	RUBINO GROUP PTY LTD <RUBINO GROUP A/C>	18,421,636	4.41
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	17,222,021	4.12
6	MR CLARK ELLIOTT PERKINS	16,795,265	4.02
7	SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	13,940,241	3.34
8	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	10,849,545	2.60
9	CRATHRE PTY LTD	6,119,024	1.46
10	RACING CARS PTY LTD	6,111,911	1.46
11	INVIA CUSTODIAN PTY LIMITED <BILLINGSBY ESTATE A/C>	6,071,484	1.45
12	MS BELINDA NIXON	5,514,771	1.32
13	BUNGEELTAP PTY LTD	5,345,137	1.28
14	FIFTY SECOND CELEBRATION PTY LTD <MCBAIN FAMILY A/C>	5,187,918	1.24
15	BODHI INVESTMENT LIMITED	4,933,728	1.18
16	NAMARONG INVESTMENTS PTY LTD <THE HANSEN INVESTMENT A/C>	4,392,567	1.05
17	MR PIERRE JOSEPH SAFI	4,057,441	0.97
18	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	4,041,697	0.97
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	4,031,500	0.96
20	NAMARONG INVESTMENTS PTY. LTD. <THE HANSEN INVESTMENT A/C>	4,028,665	0.96
	Totals: Top 20 holders of FULLY PAID ORDINARY SHARES (Total)	**238,394,782**	**57.04**

2. COMPANY SECRETARY

The name of the Company Secretary is Adam Gallagher.

3. ADDRESS

The address of the principal and registered office is:
Building 11, 41-43 Bourke Road, Alexandria NSW 2015.
Telephone 02 9189 9541.

4. SECURITIES REGISTER

Register of securities are held at the following address:
Yarra Falls, 452 Johnstone Street, Abbotsford VIC 3067.

5. STOCK EXCHANGE LISTING

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Securities Exchange Limited.

6. UNQUOTED SECURITIES

Unlisted options to acquire ordinary shares	36,500,000
Performance Rights over ordinary shares	13,730,721

Corporate Directory

Directors

Paul Dwyer

Hugh Robertson

Michael Doery

Andrew Smith

Company Secretary

Adam Gallagher

Company Website

www.creditclear.com.au

Registered Office

Credit Clear Limited

Building 11, 41-43 Bourke Road
Alexandria NSW 2015

Tax Accountant

Moore Australia (VIC) Pty Ltd

Level 44, 600 Bourke Street
Melbourne VIC 3000

Auditor

PricewaterhouseCoopers

2 Riverside Quay
Southbank VIC 3006

Share Registry

Computershare Investor Services Pty Limited

Yarra Falls
452 Johnstone Street
Abbotsford VIC 3067

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