



**Different technology for a  
different world**

<https://optf.ngo/>

2021

**2021  
Annual  
Report**

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2021

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# Chairperson's Message

We have seen the world change so much over the last year. The global pandemic which we are still navigating has altered every aspect of our lives. An impact statement could be—and likely will be—written for every industry in the world.

The right to privacy has continued to be eroded against the backdrop of the COVID-19 pandemic, as chronically anti-privacy companies grew their empires, authoritarian governments tightened their grip on their citizens in many corners of the world, and world-first technology was rushed out to the masses without proper consideration of their privacy impacts.

Despite the uncertainty of these times, anti-privacy companies such as Amazon and Facebook are soaring to record valuations. As is often done, these corporations have found ways to use the world's misfortune to consolidate their positions. The rest of the world is left with the grim reality of an increasingly centralised technology industry which reduces consumer choice and deconstructs our essential human rights.

Governments around the world are on a dangerous trend away from democracy. Research from Freedom House reveals an alarming 15-year trend of consistent decrease

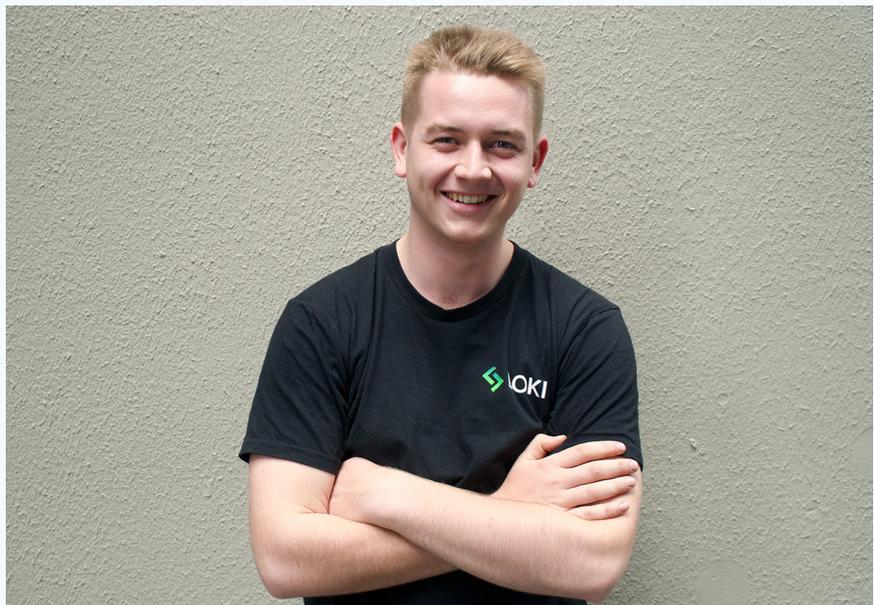
in countries ranked 'Free', and increase of countries ranked 'Not Free'. It is not difficult to find confirmation of these trends in the headlines from around the world — the Belarusian election, the Myanmar coup d'état, the list (unfortunately) goes on and on.

The importance of our foundation's mission has never been greater than it is right now.

It is very clear that technology can either help or hinder people's rights — and it is our mission to push this important industry in the direction of protecting rights, protecting privacy, and preserving people's dignity wherever possible.

**“What we are doing as a foundation and a community is critical to the betterment of technology and our global community.”**

Simon Harman  
CEO, 2021



Protecting  
Rights,  
Protecting  
Privacy

# Message from the Chief Technical Officer

20  
gro

Technology is constantly presenting novel challenges, whether it is designing solutions for unsolved challenges, building those solutions, or contemplating emerging challenges. This was a year of consolidation, of frustration, and of iteration.

Creating decentralised technology introduces several axes of complexity which 'normal' tech does not need to consider. Although it is a worthy struggle, the last two years of development have proven that building decentralised technology can be just that – a struggle.

For Session, this year we took the step of developing our own protocol to usurp the previously used Signal Protocol. While the Signal Protocol is admirable for its design, it is not fit for purpose in a decentralised application such as Session, and as such we had to design, implement, and rollout a new protocol – the Session Protocol. We anticipate that this new, more streamlined protocol will help alleviate some of the issues which have plagued Session in its life thus far.

Much of the work completed on Session was to improve, upgrade, or completely rebuild parts of the application to ensure their design and implementation was appropriate for a unique software such as Session.

Session's third-party code audit has also been completed and published. This is a significant milestone in ensuring that Session is a safe and trusted messaging app, and helps build confidence in the work we have done so far as well as any work we may do in the future.

Oxen continued to improve the strength and functionality of the network thanks to the rollout of Pulse, our Proof-of-Stake implementation, and Blink, our instant payment mechanism.

Aside from our own internal projects, we also successfully incubated a new decentralised project, Chainflip. We provided technical advice and aided in the early designs of the Chainflip product – which is now enjoying its own success separate from the Oxen Labs.

There is always more work to be done, and we are hopeful that 2021 has laid the groundwork for faster, more user-facing progress in the coming years.

# 21<sup>7</sup> has laid the groundwork

Kee Jefferys

CTO, 2021



**“There is always more work to be done, and we are hopeful that 2021 has laid the groundwork for faster, more user-facing progress in the coming years.”**

# Message from the Chief Operations Officer

This year presented some of the most unique and difficult operations challenges imaginable. These are challenges which many companies around the world now face – the prospect of remote work, the difficulty of co-ordinating, collaborating, and creating without being able to see each other, have conversations, or write anything on a whiteboard.

Thankfully, our tech-forward team is one of the best-equipped workforces possible to deal with the changing realities of modern work. Last year we made the initial plunge into fully-remote work, and this year we grappled with the inconsistency caused by sporadic (but extended) lockdowns, special requirements for in-person workspaces, limited office capacities, and mixed and hybrid work.

Despite the burden of inconsistency, the team has done a wonderful job staying connected – whether online or in-person, when possible. Although the nature of work has changed, it is a wonderful opportunity for us to continue developing our work methods – including project management, how and when we collaborate, and increasing both individual, vertical, and horizontal organisation. In many cases, the adaptations we have made due to the advent of remote work have ended up being innovations for the team – and I eagerly welcome the future of hybrid work and the benefits it will bring to our team.



**“Our tech-forward team is one of the best-equipped workforces possible to deal with the changing realities of modern work.”**

# me the future

Chris McCabe  
COO, 2021



# Message from the Chief Marketing Officer

Rebrands, new brands, and brand refreshes – we applied a few new coats of paint this year. Because of the highly complex and technical nature of our work, it can be difficult creating brands which convey the human element of our foundation’s work, which communicate why we exist, not just what we are creating.

On top of this, this year has forced all of us to connect in new and different ways as we have been thrust out of the office and into the home. The practice of activities like attending conferences, participating in and hosting events, and collaborating with our partners has shifted completely – and now many of these things take place in online spaces.

Although this has presented a unique challenge for our foundation, we continue to do our utmost to engage, inform, and educate on matters of digital rights, privacy, and decentralised technology. We continued engaging with our community wherever possible, shifted our advocacy strategies to be more online-focused, and learnt to adapt in-person events and resources into online events and resources.

This year we also saw rebrands for Oxen (formerly Loki), the OPTF (formerly the Loki Foundation), and Lokinet. Aside from this, we also assisted the Chainflip team with their initial brand vision and guidelines.

It is our role as the marketing team to be the messengers of the OPTF’s mission – to convey the importance of privacy, to educate about how to protect privacy and other human rights in digital spaces, and to advocate for those who cannot do so themselves. We are dedicated to the role we play in this important mission, and hope to continue contributing to the growing community of people who are passionate about digital privacy.



**Josh-Jessop Smith**  
CMO, 2021





# New Horizons

We are constantly investigating and analysing opportunities to further privacy through both technology and education. This can either mean new directions for our existing projects—Lokinet, Oxen, and Session—or new projects entirely. Privacy is an ever-evolving industry, and it is always important to keep our minds open to whatever is best for our mission. This year there were two significant opportunities which we explored.



# Incubation of Chainflip



The project now known as Chainflip was first presented as a highly ambitious proposal to use OXEN to facilitate a cross-chain token swapping product. This product would be the first of its kind, and would—remarkably—represent the first viable way to natively swap major cryptocurrencies such as Bitcoin, Monero, and Ethereum in a trustless, decentralised way.

The Oxen Labs assisted with the initial research into the viability of this proposal, and ultimately it was decided that ours was not the right blockchain to host such a protocol. However, we have formed a strong partnership with the Chainflip project and team, and will aim to work together again in the future.

## oxUSD Proposal

Following a significant hack, community trust in the leading privacy-stablecoin project—Haven—was shaken. It was around this time that our team received another proposal, this time in the form of an anonymous paper describing 'OUSD'. The paper outlined how OXEN could be used to create a privacy-focused stablecoin pegged to some fiat currency (such as USD).

Re-named by the team as oxUSD, we embarked on our own research into the viability of this proposal. Ultimately it was found this project would require too much technical work and incur too much regulatory risk to be a worthwhile direction for the project. That being said, the oxUSD proposal remains one of the most fascinating community contributions in the project's history.



# The Many Faces of Privacy

Privacy is a much important part of our lives, yet the image of privacy has often been damaged by those who seek to misinform the public and cast suspicion on whoever wishes for their privacy to be preserved. For many the word privacy evokes a shady figure in a hoodie illuminated by the green light of their hacker-computer. We understand that perception matters. For people to feel comfortable expressing their desire for privacy, taking steps to protect their privacy, or advocating for the conservation of privacy, we need to ensure the institutions associated with privacy represent it positively.

## Oxen Rebrand



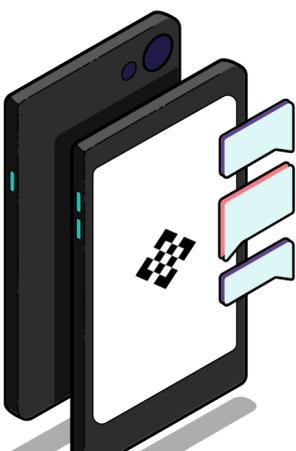
The new Oxen brand is bright, colourful, and positive. It has playful, friendly shapes and illustrations – still retaining the isometric style from the classic Loki brand. While known as ‘Loki’, the brand had been much darker, with green highlights – a sleek style which appealed to highly technical users, but which alienated the average user.

## The OPTF

Our new OPTF branding is still reminiscent of that of the Loki Foundation. However, it is updated to align with the fresh Oxen brand, and more closely connect with the brands of the technical projects which underpin our work.

## Lokinet Rebrand

The new Lokinet brand is simpler, clearer, and cleaner. Naturally, Lokinet’s branding was entangled with Loki’s – and so it required its own update. Although its name remains the same, its new brand represents what Lokinet truly is: getting between points as quickly as possible.



# The Privacy Frontier

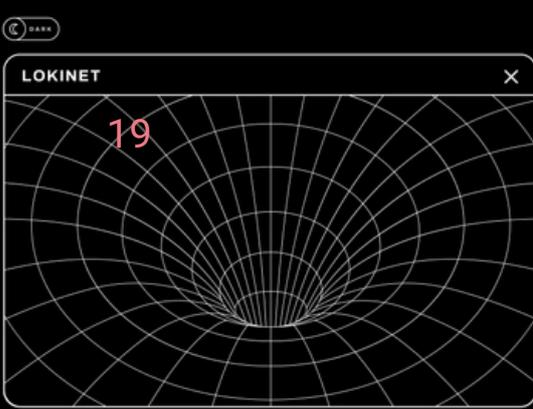
The landscape of privacy technology—and privacy in general—has changed completely over the last eighteen months. While the world was already trending towards lesser protections on privacy, concessions made during the pandemic have greatly worsened this trend. However, regardless of focus on the issue of privacy among other worldwide news, our foundation remains dedicated to contributing to the privacy discourse and advocating for privacy however possible.



This year Oxen finalised a multi-year plan to transition to a full proof-of-stake blockchain protocol. Our proof-of-stake implementation, dubbed Pulse, makes Oxen a more environmentally friendly, reliable, and fit-for-purpose blockchain. Additionally, this year saw the mainnet release of our instant payment solution, Blink. This makes Oxen the first privacy coin to offer instant payments.

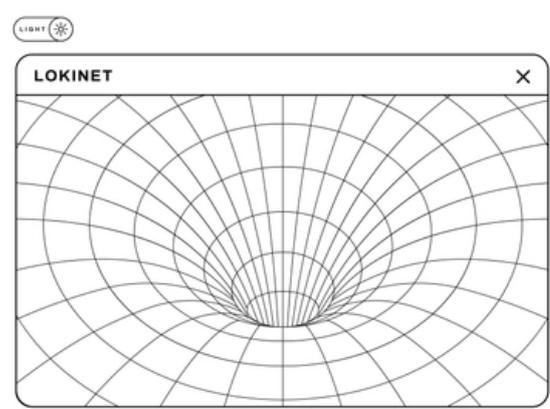
## Session

Session reached some major milestones and underwent some major changes this year. The third party code audit was completed by cybersecurity company Quarkslab, and the Session Protocol was developed and implemented across all platforms. Several features were upgraded or improved, including the return of multi-device functionality, increasing closed group sizes to 100, light mode, and adding CrowdIn support for localisation. This year Session crossed 100,000 mobile users. However, despite Session's increasing popularity, there is a significant amount of work to be completed to improve the reliability and stability of both the client itself as well as its interactions with the network.



Anonymous  
Internet Access

- + Browse privately
- + Block surveillance
- + Connect to a whole new internet

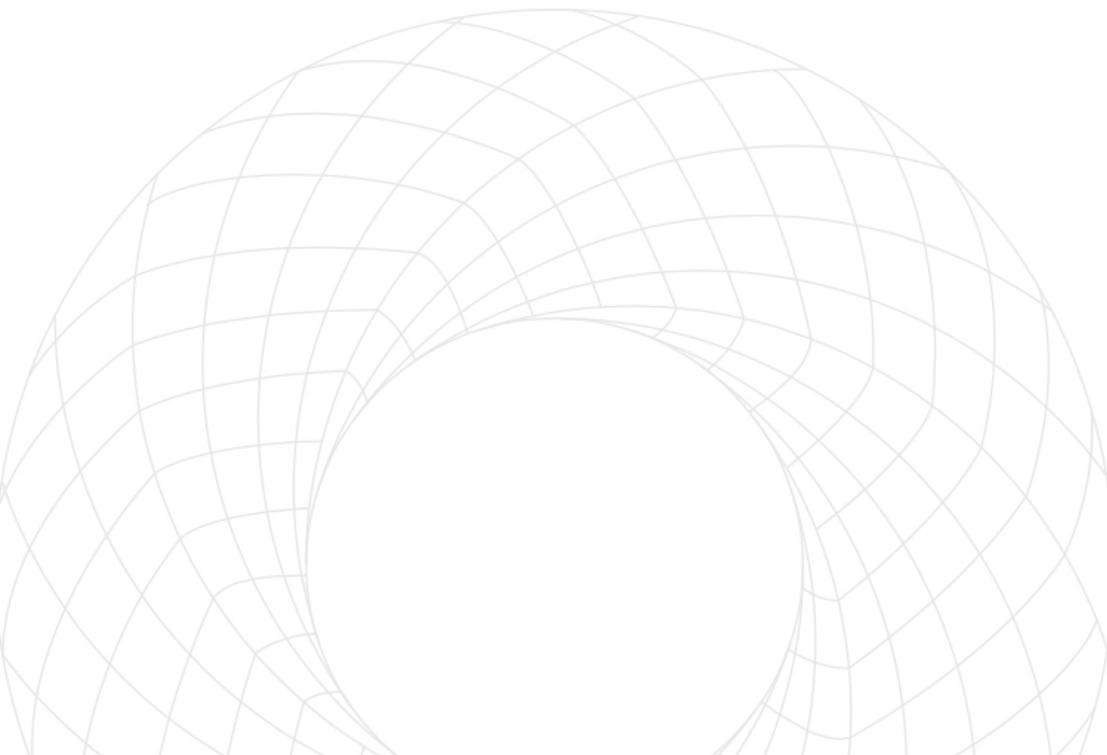


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# LOKINET

The new Lokinet brand is simpler, clearer, and cleaner. Naturally, Lokinet's branding was entangled with Loki's — and so it required its own update. Although its name remains the same, its new brand represents what Lokinet truly is: getting between points as quickly as possible.



# Open Letter Regarding COVIDSafe App



As COVID-19 continued to spread around the world, many countries turned to technology to attempt to curb spread of infection, track cases, or otherwise contribute to their pandemic response. We saw a historic coalition between Google and Apple to deliver a contact tracing API. Ultimately, over 35 countries would roll out contact tracing apps based on Exposure Notification Systems (ENS).

Australia was not one of these countries, instead opting to build its own tracing app – ‘COVIDSafe’. Unfortunately the application was deeply flawed, and drew widespread criticism from the developer community. The OPTF published its own letter regarding the application, providing important commentary from the perspective of a privacy and development-focused foundation.

# Ground Safe Report



This year the OPTF published its first piece of major research, Ground Safe. The research was completed alongside multiple regional partners, and analysed the digital security needs of human rights defenders in several geographic regions.

The report provided a number of insights into ways in which technology failed to provide sufficient protection for human rights defenders; the report also provided recommendations on ways to improve the safety of human rights defenders in digital spaces.



# Working With Our Community

**The OPTF is committed to engaging with and participating in the privacy community wherever possible. The health and vibrancy of the community which concerns itself with the right to privacy is unquestionably related to the protection of the right itself.**

## Research Collaboration

We collaborated with regional partners to produce the Ground Safe report, including direct surveying and engagement with human rights defenders on the ground around the world.

## Privacy Awareness Week Champion

The OPTF was a champion of PAW, an initiative of the Australian Information Commissioner to raise awareness of privacy issues and the importance of protecting personal data.

## Global Encryption Day Co-Stream

Lucie Krahulcova of Digital Rights Watch and Kee Jefferys of Oxen joined together in a community stream on Global Encryption Day to discuss the importance of encryption and the ongoing fight to protect people's right to encrypt.

## EngageMedia Podcast

Simon Harman and Sam de Silva from the OPTF appeared on EngageMedia's Pretty Good Podcast to discuss communications privacy and the importance of supporting free and open source software.

## Panel at RightsCon



Simon Harman joined Kathleen Azali (EngageMedia), Suelette Dreyfus (Blueprint for Free Speech), and Eric Johnson (Counterpart International) in a RightsCon panel discussing how the secure developer community can better collaborate to create secure tools.

# 2021 Finacial Report

## DECLARATION OF INDEPENDENCE BY GEOFF ROONEY TO THE DIRECTORS OF OPTF LTD

As lead auditor of OPTF Ltd (Company) and its subsidiary (together the “Group”) for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of section 60-40 of the *Australian Charities and Not-for-profit Commission Act 2012* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of OPTF Ltd and the entities it controlled during the period.



Geoff Rooney  
Director

**BDO Audit Pty Ltd**

Sydney

13 April 2023

# **OPTF Ltd and controlled entities**

**ABN: 32 624 664 204**

## **Consolidated Financial Statements For the Year Ended 30 June 2021**

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**OPTF LTD**  
**ABN: 32 624 664 204**  
**CONSOLIDATED STATEMENT OF PROFIT**  
**OR LOSS AND OTHER COMPREHENSIVE**  
**INCOME**

	Note	2021 \$	2020 \$
Income	2	4,807,100	318,433
Other Income	2	302,032	33,142
Gains on sale of Cryptocurrency		1,416,405	1,135,499
Management Fees – Rangeproof Pty Ltd	9	-	(2,132,000)
Loss on investment	6	-	(1,339,272)
Salary and Wages		(1,770,288)	(154,219)
Superannuation		(157,191)	-
Other Employment Costs		(78,105)	-
Contractors and Bounty Rewards		(545,416)	-
Decrease in Fair Value of Intangible Assets		(299,066)	-
Liquidity Provisions		(277,009)	(13,922)
Advertising		(170,918)	-
Depreciation		(107,066)	-
Listing Fees		(54,161)	(115,386)
Computer and Tech Expenses		(50,242)	-
Consulting and Accounting expenses		(23,580)	(120,931)
Legal expenses		(11,428)	(36,389)
Auditor Remuneration		(12,240)	(12,000)
Interest Expense		(7,393)	-
Other expenses		(19,623)	(20,475)
<b>Profit/(Loss) for the year</b>		<b>2,941,811</b>	<b>(2,457,520)</b>
Other comprehensive income for the year		-	-
<b>Total profit/(loss) and other comprehensive income for the year</b>		<b>2,941,811</b>	<b>(2,457,520)</b>

The accompanying notes form part of these financial statements.

**OPTF LTD**  
**ABN: 32 624 664 204**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	1,232,558	2,319,875
Right of Use Assets		149,130	-
Other receivables	4	252,860	22,943
<b>TOTAL CURRENT ASSETS</b>		<b>1,634,548</b>	<b>2,342,818</b>
<b>NON-CURRENT ASSETS</b>			
Intangible assets	5	6,302,834	1,805,024
Investment	6	-	660,728
<b>TOTAL NON-CURRENT ASSETS</b>		<b>6,302,834</b>	<b>2,465,752</b>
<b>TOTAL ASSETS</b>		<b>7,937,382</b>	<b>4,808,570</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	89,978	10,389
Lease Liability		153,256	-
Accrued liabilities		-	47,553
<b>TOTAL CURRENT LIABILITIES</b>		<b>243,234</b>	<b>57,942</b>
<b>TOTAL LIABILITIES</b>		<b>243,234</b>	<b>57,942</b>
<b>NET ASSETS</b>		<b>7,694,148</b>	<b>4,750,628</b>
<b>EQUITY</b>			
Retained earnings		7,694,148	4,750,628
<b>TOTAL EQUITY</b>		<b>7,694,148</b>	<b>4,750,628</b>

The accompanying notes form part of these financial statements.

**OPTF LTD**  
**ABN: 32 624 664 204**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2021**

Note	Retained Earnings \$	Total \$
<b>Balance at 30 June 2019</b>	<b>7,209,857</b>	<b>7,209,857</b>
<b>Comprehensive Income</b> (Loss) for the period	(2,457,520)	(2,457,520)
<b>Total comprehensive income attributable to members of the entity</b>	<b>(2,457,520)</b>	<b>(2,457,520)</b>
<b>Balance at 30 June 2020</b>	<b>4,752,337</b>	<b>4,752,337</b>
<b>Comprehensive Income</b> Profit for the period	2,941,811	2,941,811
<b>Total comprehensive income attributable to members of the entity</b>	<b>2,941,811</b>	<b>2,941,811</b>
<b>Balance at 30 June 2021</b>	<b>7,694,148</b>	<b>7,694,148</b>

The accompanying notes form part of these financial statements

**OPTF LTD**  
**ABN: 32 624 664 204**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Income Received		5,166,222	10,000
Expenses paid		(3,572,293)	(2,522,637)
Foreign Currency Gains		1,416,412	-
Interest received		4,225	23,142
<b>Net cash from/(used in) operating activities</b>		<b>3,014,567</b>	<b>(2,489,495)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Movement in Investments – Purchases		(4,180,808)	(405,064)
<b>Net cash used in investing activities</b>		<b>(4,180,808)</b>	<b>(405,064)</b>
Net increase in cash and cash equivalents		(1,166,241)	(2,894,559)
Cash and cash equivalents at beginning of the financial period		2,398,799	5,214,434
<b>Cash and cash equivalents at end of the financial period</b>	<b>3</b>	<b>1,232,558</b>	<b>2,319,875</b>

The accompanying notes form part of these financial statements.

**OPTF LTD**  
**ABN: 32 624 664 204**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

The financial statements include OPTF Ltd as a consolidated entity (the “Foundation”) consisting of OPTF Ltd and the entities it controlled at the end of, or during the year. The financial statements are presented in Australian dollars, which is OPTF’s functional and presentation currency.

The financial statements were authorised for issue on 13 April 2023 by the directors of the Foundation.

**Corporate information**

The Foundation has been established to be a charity for purposes beneficial to the community generally and for the advancement of education. It will achieve these purposes through the following activities:

- a) facilitating the development of an open source, highly secure, decentralised data transmission network that allows individuals, business and government to freely transact and communicate without the threat of malicious third-party interference;
- b) ensuring the continuing development of the secure network by funding independent development projects;
- c) providing education and support to developers seeking to build apps utilising the secure network;
- d) ensuring the open source network is developed as a genuinely decentralised system absent any external control or influence to ensure the independence, security and longevity of the network;
- e) raising moneys to fund the activities and charitable objectives of the Foundation, including through the offering of the Oxen cryptocurrency; and
- f) all other such activities as are ancillary or incidental to the above purposes

The Foundation has developed Oxen which provides users with tools to interact online in an anonymous, decentralised, secure, and private way. By combining a private transaction network, the \$OXEN cryptocurrency, and economically incentivised Service Nodes, Oxen has created a trustless, quorum-based onion router called Lokinet. Built into Lokinet is Session — a decentralised, anonymous, and private messaging service. Front end applications, known as Service Node Apps (SNApps), operate on Lokinet, and will allow browser integration and contribution from our open-source community.

**Acquisition of Rangeproof Pty Ltd**

During the 2021 financial year Rangeproof Pty Ltd became part of the foundations consolidated group after acquiring 100% of the shares and voting interests. The purchase was made for a nominal amount and aimed to simplify the group structure allowing the foundation to better achieve its stated goals. Rangeproof Pty Ltd provides services for a substantial portion of the foundations activities and was previously paid a management fee. Going forward the activities of Rangeproof Pty Ltd will be included in the consolidate statement of profit and loss.

**Identifiable assets acquired and liabilities assumed**

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

<b>Assets and Liabilities</b>	<b>1 July 2020</b>
	<b>\$</b>
Total current assets	88,088
Total non-current assets	15,358
<b>Total Assets</b>	<b>103,446</b>
Total current liabilities	88,420
<b>Total Liabilities</b>	<b>88,420</b>
<b>Total identifiable net assets acquired</b>	<b>15,026</b>

**OPTF LTD**  
**ABN: 32 624 664 204**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**The Foundation's ability to continue as a going concern**

The Foundation is of the opinion that it is appropriate for the financials to be prepared using the going concern assumption as its basis, despite the existence of conditions which cast uncertainty on the assumption. The conditions being:

- The Foundation historically conducted its token which has been the primary source of funds for the project. The provision for the Initial Coin Offering (ICO) has been fully released to revenue and the project continues without a significant source of revenue.
- The cash outflow for the development of the project is significant relative to the cash funds available.
- The current market and depth of volume is unlikely to support the consistent sale of the Foundation's tokens received from the block reward.

The Foundation has implemented the following plans to mitigate the uncertainties caused by the above conditions:

- The decision to seed the Chainflip project. As at the issue date the Foundation has started receiving a consulting fee from the Chainflip project. These amounts are visible in note 2.
- The sale of a portion of the Foundation's Oxen holdings to support the ongoing operational costs.

The Foundation has also made the following significant judgment in their going concern assessment:

- The current AUD value of the Foundation's Bitcoin and Stablecoin holdings will support the Foundations operations until a time at which the market can support the ongoing sale of tokens received from the block reward.

**Note 1            Significant Accounting Policies**

**Accounting Policies**

The directors have prepared the consolidated financial statements on the basis that the Foundation is a reporting entity. These consolidated financial statements are general purpose financial statements prepared under the simplified disclosure requirements of the Australian Accounting Standards (AAS).

The Foundation is in the business of digital currencies and is required to make judgments as to the application of AAS and the selection of its accounting policies. The Foundation has disclosed its presentation, recognition and derecognition, and measurement of digital currencies, and the recognition of income as well as significant assumptions and judgments, however, if specific guidance is enacted by the AASB in the future, the impact may result in changes to the Foundation's earnings and financial position as presented.

The consolidated financial statements have been prepared in accordance with the requirements of the *Australian Charities and Not-for-profits Commission Act 2012* including complying with the Australian Accounting Standards – Simplified Disclosure Requirements and the Australian Charities and Not-for-Profits Commission Regulation 2013. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

The consolidated financial statements, except for the cash flow information, have been prepared on an accrual basis and are based on historical costs unless otherwise stated in the notes. Material accounting policies adopted in the preparation of these consolidated financial statements are presented below and have been consistently applied unless stated otherwise. The amounts presented in the consolidated financial statements have been rounded to the nearest dollar.

**Principles of consolidation**

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of OPTF Ltd ('company' or 'parent entity') as at 30 June 2021 and the results of all subsidiaries for the year then ended. OPTF Ltd and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration

**OPTF LTD**  
**ABN: 32 624 664 204**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

**Principles of consolidation (continued)**

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

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

**(a) Income**

**(i) Ongoing Token Sales**

Following the ICO, the Foundation has since sold a portion of the tokens held to interested parties. These amounts have also been included as income and are reported at market value in AUD at the date of sale.

**(ii) Income from Governance and Staking Rewards**

The Foundation recognises income from the governance reward built into the oxen blockchain as consideration for the foundations services towards the maintenance of the blockchain. In addition the Foundation receives staking rewards for managing service nodes on the oxen network. The Foundation receives digital currency from the blockchain for both of these services which is recorded as income based on the fair value of the coins received. The fair value is determined using the spot price of the coin on the date of receipt.

There is no specific definitive guidance in the accounting standards for the accounting of staking, governance fees and strategic selling of digital currencies and the Foundation has exercised significant judgement in determining appropriate accounting treatment for the recognition of income from digital currency governance fees and staking rewards.

**(b) Fair value measurement**

The Foundation measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Foundation 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 considers 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 instrument, 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 consolidated financial statements.

**OPTF LTD**  
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**(c) Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits held at-call with banks.

**(d) Current and non-current classification**

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

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Foundation's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

**(e) Income tax**

No provision for income tax has been raised as the entity is exempt from income tax under Div 50 of the Income Tax Assessment Act 1997.

**(f) Intangible assets**

Digital assets consist of Bitcoin, Ethereum, Oxen, USDT and USDC. Digital assets meet the definition of intangible assets in *AAAS 138 - Intangible Assets* as they are identifiable non-monetary assets without physical substance. Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in an exchange of digital currencies is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The Foundation considers digital assets to be intangible assets with indefinite useful lives. Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually.

An impairment describes a permanent reduction in the value of an asset. When testing an asset for impairment the total profit, cash flow, or other benefit expected to be generated by that specific asset is periodically compared with its recorded value. If it is determined that the recorded value of the asset exceeds the future cash flow or benefit of the asset, the difference between the two is written off.

The Foundation considers that for Bitcoin, Ethereum, USDT and USDC holdings an active market exists that allows for a reasonable quoted price as the basis of fair value calculations. For Oxen holdings, the Foundation considers that markets are not active to the extent that a reasonable fair value calculation may be made.

The Foundation's determination to classify its holding of digital assets as non-current assets is based on management's assessment that it is not the intention to sell the holding in the short term.

Where the Foundation is settling a liability for the purchase of goods and services where the price was established in the functional currency, the difference between the liability settled and the fair value of the digital assets transferred is recognised as a gain or loss on sale. Otherwise, the transaction is measured based on the fair value of the digital assets exchanged. Any difference between the fair value of the digital assets exchanged and the carrying amount of the digital assets is recognised in profit and loss.

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**(g) Goodwill**

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

**(h) Investments**

The Foundation's investment holdings that are not traded in active markets by the Foundation are considered investments. Investments are accounted for as financial assets which are initially recognized at fair value and subsequently measured through fair value through profit or loss. Where an active market does not exist for an investment the Foundation will determine the fair value by exercising judgement on available information.

**(i) Property, plant and equipment**

The useful lives of major depreciable asset categories are as follows:

Right of use assets	Unexpired lease term
Leasehold improvements	Unexpired lease term

Leases are entered into to meet the business needs of entities in the Group. Leases are primarily over commercial and retail premises. Where the Group is a lessee, all leases will be recognised on the Balance Sheet as a lease liability and right-of-use asset, unless the underlying asset is of low value or the lease has a term of 12 months or less. Rentals of leases with low value underlying assets or where the lease term is 12 months or less are recognised over the lease term as Operating expenses in the Income Statement.

Right-of-use assets are initially measured at cost comprising the following:

- the initial amount of the lease liability measured at the present value of the future lease payments;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- an estimate of the costs to be incurred upon disassembling or restoring the underlying asset to the condition required by the terms of the lease.

The right-of-use asset is depreciated over the lease term on a straight-line basis within Operating expenses in the Income Statement. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in the Income Statement if the carrying amount of the right-of-use asset has been fully written down.

**(j) Trade and other payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Foundation during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(k) Goods and Services Tax ('GST') and other similar taxes**

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

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

**OPTF LTD**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

**(l) Critical accounting estimates and judgements**

The preparation of the Foundation's consolidated financial statements requires management to make judgments, estimates, and assumptions that affect the reported amounts; however, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Foundation has based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Foundation. The following are the estimates and assumptions that have been made in applying the Foundation's accounting policies that have the most significant effect on the amounts in the consolidated financial statements:

***Valuation of Investments***

The Foundation evaluates each investment every reporting period to determine whether there are any indications of impairment. If any such indication exists, which is often judgmental, a formal estimate of recoverable amount is performed and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount. The recoverable amount of an investment is measured at the higher of fair value less costs to sell and value in use. The estimates and assumptions are subject to risk and uncertainty; hence, there is the possibility that changes in circumstances will alter these projections, which may impact the recoverable amount of the assets. In such circumstances some or all of the carrying value of the investments may be further impaired or the impairment charge reduced with the impact recorded in profit and loss.

**(m) Employee benefits**

*Short-term employee benefits*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

*Other long-term employee benefits*

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

*Defined contribution superannuation expense*

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

**(n) New or amended Accounting Standards and Interpretations adopted**

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**OPTF LTD**  
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**FOR THE YEAR ENDED 30 JUNE 2021**

**(o) New accounting standards for application in future periods**

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the entity. The directors have decided not to early adopt any of the new and amended pronouncements. Their assessment of the pronouncements that are relevant to the entity but applicable in future reporting periods is set out below:

The significant accounting requirements of *AASB 1058 – Income of Not-for-Profit Entities* are as follows:

- Income arising from an excess of the initial carrying amount of an asset over the related contributions by owners, increases in liabilities, decreases in assets and revenue should be immediately recognised in profit or loss. For this purpose, the assets, liabilities and revenue are to be measured in accordance with other applicable Standards.
- Liabilities should be recognised for the excess of the initial carrying amount of a financial asset (received in a transfer to enable the entity to acquire or construct a recognisable non-financial asset that is to be controlled by the entity) over any related amounts recognised in accordance with the applicable Standards. The liabilities must be amortised to profit or loss as income when the entity satisfies its obligations under the transfer.

A private sector not-for-profit entity may elect to recognise volunteer services or a class of volunteer services as an accounting policy choice if the fair value of those services can be measured reliably, whether or not the services would have been purchased if they had not been donated. Recognised volunteer services should be measured at fair value and any excess over the related amounts (such as contributions by owners or revenue) immediately recognised as income in profit or loss.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented in accordance with AASB 108 (subject to certain practical expedients); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. For this purpose, a completed contract is a contract or transaction for which the entity has recognised all of the income in accordance with AASB 1004: *Contributions* Although the directors anticipate that the adoption of AASB 1058 may have an impact on the entity's consolidated financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

		<b>2021</b>	<b>2020</b>
<b>Note 2</b>	<b>Income</b>	<b>\$</b>	<b>\$</b>
<b>Income</b>			
	Income from Sale of Tokens	3,521,835	4,137
	Oxen Governance Reward	462,987	206,378
	Oxen Staking Rewards	398,993	107,918
	Consulting Fee – Chainflip	380,000	-
	Consulting Income	43,285	-
	<b>Total Income</b>	<b>4,807,100</b>	<b>318,433</b>
<b>Other Income</b>			
	Government Grants	277,500	-
	Other Revenue	19,199	10,000
	Interest received	5,333	23,142
	<b>Total Other Income</b>	<b>302,032</b>	<b>33,142</b>
	<b>Total Income</b>	<b>5,109,132</b>	<b>351,575</b>

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**FOR THE YEAR ENDED 30 JUNE 2021**

**Note 3 Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
<b>Cash and cash equivalents</b>	<b>\$</b>	<b>\$</b>
Cash at Bank	1,232,558	2,319,875
<b>Total Cash and cash equivalents</b>	<b>1,232,558</b>	<b>2,319,875</b>

**Note 4 Other receivables**

<b>Other Receivables</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
GST	183,647	22,943
Advance Payment for Future Chainflip Tokens	60,017	-
Office Bond	9,167	-
Other receivables	29	-
<b>Total Other Receivables</b>	<b>252,860</b>	<b>22,943</b>

**Note 5 Intangible Assets**

<b>Intangible Assets</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Bitcoin Holdings	1,532,687	458,172
Ethereum Holdings	85,759	13,879
Oxen Holdings	2,061,569	1,332,973
Stablecoin Holdings	2,622,819	-
<b>Total Intangible Assets</b>	<b>6,302,834</b>	<b>1,805,024</b>

**Note 6 Investments**

*Boutique Capital Investment*

During the year the Foundation redeemed its investment balance of \$660,728 with Boutique Capital. As of 30 June 2021 the Foundation does not carry a balance in any investment assets.

*Fair value hierarchy*

The following tables detail the Foundations assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**Investments (continued)**

<b>2020</b>	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<i>Assets</i>				
Holdings in a public unit trust	-	660,728	-	660,728
<b>Total Assets</b>	<b>-</b>	<b>660,728</b>	<b>-</b>	<b>660,728</b>
<b>2021</b>				
<i>Assets</i>				
Holdings in a public unit trust	-	-	-	-
<b>Total Assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>Note 7</b>	<b>Parent entity information</b>	<b>2021</b>
	Set out below is the supplementary information about the parent entity	\$

**Statement of profit or loss and other comprehensive income**

Profit after income tax and total comprehensive income	3,095,693
--	-----------

**Statement of financial position**

Total current assets	1,237,375
Total non-current assets	6,646,559
<b>Total Assets</b>	<b>7,883,934</b>
Total current liabilities	37,566
<b>Total liabilities</b>	<b>37,566</b>
Equity	7,846,368
<b>Total Equity</b>	<b>7,846,368</b>

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries. The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries.

**Contingent liabilities**

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

**Capital commitments - Property and equipment**

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

**Significant accounting policies**

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

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

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

<b>Note 8</b>	<b>Trade and Other Payables</b>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>Accounts Payable</b>			
	PAYG Withholdings Payable	83,060	4,284
	Superannuation Payable	6,906	6,058
	Provision for Income Tax	12	-
	Wages Payable	-	47
	<b>Total Accounts Payable</b>	<b>89,978</b>	<b>10,389</b>

<b>Note 9</b>	<b>Related Party Transactions</b>	<b>2021</b>	<b>2020</b>
		<b>\$</b>	<b>\$</b>
<b>a.</b>	<b>Key Management Personnel</b>		
	The key management personnel of the Foundation are individuals and associated entities that have control or significant influence over the Foundation.		
	Short term employee benefits	524,440	154,219
		<b>524,440</b>	<b>154,219</b>

**b. Rangeproof Pty Ltd Management Fee**

Rangeproof previously held a general service agreement with the Foundation to provide services on an ongoing basis, payments are separately requested and approved by the Foundation on a bi-monthly basis.

The service agreement was awarded to Rangeproof following an invitation by the Foundation to public individuals and companies to submit proposals to carry out the software development and project management in accordance with the Oxen Project's goals.

The total management fee paid to Rangeproof during the period for ongoing Software Development, Marketing, Research and Development, Data Analytics, Administration, Bookkeeping, Documentation services, Public Relations and Network Performance Testing was:

The 2021 FY was the first year Rangeproof acted as part of the consolidated group and as a result no management fee was charged between the group entities.

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Rangeproof Pty Ltd – Management Fees – AUD	-	2,132,000
<b>Total Management Fee Paid</b>	<b>-</b>	<b>2,132,000</b>

**Note 10 Commitments**

The Foundation had a service agreement with Rangeproof to provide services to the Foundation over the period represented which expired on 1 July 2020. As of the date of issue the Foundation has fully acquired the shareholding of Rangeproof Pty Ltd and this service contract has not been renewed as the services will be represented as part of the consolidated group.

**Note 11 Contingent Liabilities**

The Group has no contingent liabilities at the conclusion of the reporting date.

**OPTF LTD**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**Note 12 Cash Flow Information**

	<b>2021</b>
<b>Reconciliation of Cash Flows from Operating Activities with Net Current Year Surplus</b>	<b>\$</b>
Net current year profit	<b>2,941,811</b>
<i>Adjustment for:</i>	
Decrease in FV of Assets	299,066
Depreciation	107,918
(Increase)/decrease in Other Receivables	(169,900)
Increase/(decrease) in Accrued Liabilities	(47,553)
Increase/(decrease) in Trade and Other Payables	(8,831)
Increase/(decrease) in Lease Liability	(107,944)
<b>Net Cash used during operating activities</b>	<b>3,014,567</b>

**Note 13 Entity Details**

The Foundation was incorporated as LAG Foundation Ltd on 26 February 2018 and changed name to OPTF Ltd before the date of issue of the consolidated financial statements.

The registered office of the entity is:

Level 1 / 452 Flinders Street  
Melbourne VIC 3000  
Australia

The principal place of business is:

Level 4 / 460 Collins Street  
Melbourne VIC 3000  
Australia

**Subsidiaries**

The following subsidiaries have been included in the consolidated financial report

- Rangeproof Pty Ltd

**Note 14 Members' Guarantee**

The Company is incorporated under the *Corporations Act 2001* and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$10 towards meeting any outstanding obligations of the entity. At 30 June 2021 the number of members was 13.

**OPTF LTD**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2021**

**Note 15**      **Events after the reporting period**

The following events have occurred after the reporting period:

- 1) The cryptocurrency market has experienced significant volatility following the end of the reporting period and continues to be volatile. This has affected the value of the cryptocurrency holdings held by the Foundation. At the end of reporting period the market value for 1 Bitcoin was \$47,571.93 AUD which has decreased to a market value of \$30,096.40 AUD as at 30 September 2022.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Foundation's operations, the results of those operations, or the Foundation's state of affairs in future financial years.

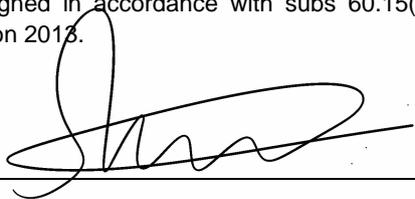
**OPTF LTD**  
**ABN: 32 624 664 204**  
**DIRECTORS DECLARATION**  
**FOR THE YEAR ENDED 30 JUNE 2021**

In the opinion of the directors of OPTF Ltd (the "Foundation"):

- 1 The consolidated financial statements and notes are in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
  - (a) give a true and fair view of the consolidated financial position of the Foundation as at 30 June 2021 and of its performance for the period ended on that date; and
  - (b) comply with Australian Accounting Standards – Simplified Disclosure Requirements, and the Australian Charities and Not-for-profits Commission Regulation 2013; and
- 2 There are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with subs 60.15(2) of the Australian Charities and Not-for-profits Commission Regulation 2013.

Director



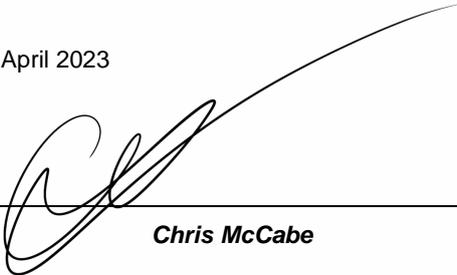
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**Simon Harman**

Dated

13 April 2023

Director



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**Chris McCabe**

Dated

13 April 2023

## INDEPENDENT AUDITOR'S REPORT

To the members of OPTF LTD

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of OPTF Ltd (the Company) and its subsidiary (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of OPTF Ltd, is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- (ii) Complying with Australian Accounting Standards - Simplified Disclosure requirements and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2013*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* (ACNC Act) and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

#### Other information

The directors of the registered entity are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the registered entity's annual report, 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.



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 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 directors for the Financial Report**

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosure requirements and the ACNC Act, 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, directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors of the Company are responsible for overseeing the Group's financial reporting process.

#### **Auditor's responsibilities for the audit of the Financial Report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar3.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf)

This description forms part of our auditor's report.

**BDO Audit Pty Ltd**

A handwritten signature in black ink that reads 'G Rooney'.

Geoff Rooney  
Director

Sydney, 13 April 2023