Scalare Partners Pty Ltd

ACN 638 225 886

Financial Statements

For the Year Ended 30 June 2024

Scalare Partners Pty Ltd

ACN 638 225 886

Contents

For the Year Ended 30 June 2024

Scalare Partners Pty Ltd

ACN 638 225 886

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2024

	Note	2024 $	2023 $
Revenue	4	**2,805,780**	3,105,767
Other income		**9,515**	7,526
Direct services expenses		**(974,593)**	(357,937)
Depreciation and amortisation expense		**(7,800)**	-
Employee benefits expense		**(1,607,948)**	(1,370,864)
Other expenses		**(601,944)**	(210,330)
Profit (loss) before income tax		**(376,989)**	1,174,162
Income tax expense (benefit)	5	**155,909**	(300,382)
Profit (loss) for the year		**(221,080)**	873,780
Other comprehensive income, net of income tax		**-**	-
Total comprehensive income for the year		**(221,080)**	873,780

The accompanying notes form part of these financial statements.

Scalare Partners Pty Ltd

ACN 638 225 886

Statement of Financial Position

As At 30 June 2024

	Note	2024 $	2023 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	**804,465**	1,056,590
Trade and other receivables	7	**427,727**	38,423
Other assets		**9,741**	56,103
TOTAL CURRENT ASSETS		**1,241,933**	1,151,116
NON-CURRENT ASSETS			
Financial assets through profit or loss	8	**10,234,443**	8,291,436
Intangible assets	9	**1,465,056**	40,000
TOTAL NON-CURRENT ASSETS		**11,699,499**	8,331,436
TOTAL ASSETS		**12,941,432**	9,482,552
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	10	**642,159**	373,496
Other liabilities	11	**287,459**	-
TOTAL CURRENT LIABILITIES		**929,618**	373,496
NON-CURRENT LIABILITIES			
Deferred tax liabilities	15	**568,144**	724,053
Other liabilities	11	**1,020,077**	-
TOTAL NON-CURRENT LIABILITIES		**1,588,221**	724,053
TOTAL LIABILITIES		**2,517,839**	1,097,549
NET ASSETS		**10,423,593**	8,385,003
EQUITY			
Issued capital	12	**7,889,530**	5,857,218
Reserves	13	**744,143**	516,985
Retained earnings		**1,789,920**	2,011,000
TOTAL EQUITY		**10,423,593**	8,385,003

The accompanying notes form part of these financial statements.

Scalare Partners Pty Ltd

ACN 638 225 886

Statement of Changes in Equity

For the Year Ended 30 June 2024

2024

	Ordinary Shares $	Retained Earnings/(Loss) $	Option Reserve $	Total $
Balance at 1 July 2023	5,857,018	2,011,000	516,985	8,385,003
Loss for the year	-	(221,080)	-	(221,080)
Transactions with owners in their capacity as owners				
Shares issued during the year	2,032,512	-	-	2,032,512
Share based payments	-	-	227,158	227,158
Balance at 30 June 2024	7,889,530	1,789,920	744,143	10,423,593

2023

	Ordinary Shares $	Retained Earnings $	Option Reserve $	Total $
Balance at 1 July 2022	4,360,094	1,137,220	331,007	5,828,321
Profit for the year	-	873,780	-	873,780
Transactions with owners in their capacity as owners				
Shares issued during the year	1,496,924	-	-	1,496,924
Share based payments	-	-	185,978	185,978
Balance at 30 June 2023	5,857,018	2,011,000	516,985	8,385,003

Scalare Partners Pty Ltd

ACN 638 225 886

Statement of Cash Flows

For the Year Ended 30 June 2024

	Note	2024 $	2023 $
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers		**1,155,098**	748,082
Payments to suppliers and employees		**(2,887,241)**	(1,741,783)
Interest received		**9,515**	6,920
Proceeds received on disposal of financial assets		**104,337**	11,902
Acquisition of financial assets		**(467,379)**	(828,356)
Net cash provided by/(used in) operating activities	23	**(2,085,670)**	(1,803,235)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property, plant and equipment		**(8,580)**	**-**
Acquisition of new subsidiaries		**(40,000)**	-
Net cash provided by/(used in) investing activities		**(48,580)**	**-**
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		**1,972,512**	1,496,924
Loan provided to related party		**(125,000)**	-
Net cash provided by/(used in) financing activities		**1,847,512**	1,496,924
Net increase/(decrease) in cash and cash equivalents held		**(286,738)**	(306,311)
Cash and cash equivalents at beginning of year		**1,056,590**	1,362,901
Adjustment for cash acquired in business combination		**34,613**	-
Cash and cash equivalents at end of financial year	6	**804,465**	1,056,590

The accompanying notes form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 30 June 2024

The financial report covers Scalare Partners Pty Ltd and its controlled entities ('the Group'). Scalare Partners Pty Ltd is a for-profit proprietary company, incorporated and domiciled in Australia.

The principal activities of the Group for the year ended 30 June 2024 were partnering and collaborating with early stage companies to invest and facilitate the provision of advice, mentoring and services.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 12 July 2024.

Comparatives are consistent with prior years, unless otherwise stated.

1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards.

These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

(a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Scalare Partners Pty Ltd at the end of the reporting period. Scalare controls an entity when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year they were controlled. A list of controlled entities is contained in Note 1(b) to the financial statements. All controlled entities have a June financial year-end.

In preparing the consolidated financial statements all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries are consistent with those adopted by the parent entity.

(b) **Controlled Entities**

A list of controlled entities is shown below.

Parent Entity	**Country of Incorporation**
Scalare Partners Pty Ltd	Australia

Subsidiaries	**Country of Incorporation**	**Percentage Owned 2024**	**Percentage Owned 2023**
Scalare Operations Pty Ltd	Australia	100%	100%
Scalare Investment Pty Ltd	Australia	100%	100%
Scalare ATC Pty Ltd (ATC)	Australia	100%	100%
Tech Ready Women Pty Ltd (TRW) - Acquired 26 April 2024	Australia	100%	0%

2 Summary of Material Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Group expects to receive in exchange for those goods or services.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Group have any significant financing terms as there is less than 12 months between receipt of consideration and satisfaction of performance obligations.

2 Summary of Material Accounting Policies (continued)

(a) Revenue and other income (continued)

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Group are:

Services payable by cash

Revenue in relation to the rendering of consulting and strategic advisory services payable by cash is recognised on an accrual basis once the services have been delivered, most commonly on a monthly basis, predetermined in advance with reference to the corresponding agreement with the customer.

Where the value of the services is not predetermined in advance, revenue is recognised once the services have been delivered. Due to the uncertainty in the amount (for example, where the amount of the services is contingent upon the value of a capital raise), revenue is only recognised after the services have been delivered and amount has been determined to ensure an accurate amount is reflected.

Services payable by employee share options

Revenue in relation to rendering of services for share options is recognised when the share option has vested to the appointed Non-Executive Director (NED) as per the signed share option letter.

Annual support plan

Revenue is recognised on a straight-line basis over the period of the support plan services provided.

Revaluation of investments not currently for sale

The carrying amount of any financial asset recognised through profit or loss are revalued on at least a bi-annual basis.

Indicators of the market value of the financial asset are obtained by reference to the value per share from the investee entities most recent capital raise and with reference to other observable market indicators.

On disposal or sale of these financial assets, the difference between the carrying amount and the disposal amount, net of expenses, is recognised in profit and loss.

Interest income

Interest income is recognised when it is received.

(b) Financial instruments

Financial instruments are recognised initially on the date that the Group becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

2 Summary of Material Accounting Policies (continued)

(b) Financial instruments (continued)

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial asset.

Classification

On initial recognition, the Group classifies its financial assets at either amortised cost or fair value through profit or loss.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets.

The Group's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for assets at amortised cost.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward looking information.

Financial assets measured at amortised cost

Impairment of financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 6 months is recognised. Where the asset has experienced a significant increase in credit risk then the lifetime losses are estimated and recognised.

2 Summary of Material Accounting Policies (continued)

(c) Going concern

The Group recorded a loss before tax of $376,993 (2023: profit before tax of $1,174,162) and incurred cash outflows from operating activities of $2,085,670 (2023: $1,803,235). Of the $2,805,780 in revenue recorded in 2024, 54**%** comprised revenue generated through gains on financial assets and non-cash consideration for services performed. As these financial assets are held long-term, the ability of the Group to continue to operate as a going concern is dependent on cash receipts from revenues as well as capital contributions from shareholders.

The Group is in the process of raising new capital amounting to at least $4,000,000 by applying to become an ASX listed company via a reverse takeover (RTO) of a listed entity, allowing the Group to scale faster and create more opportunities for revenue generation across the existing business and the broader technology ecosystem. If the Group is unable to obtain sufficient additional capital, it may be required to reduce the scope of its investment activities.

As of 30 June 2024, the Group has received expression of interest from existing shareholders and network to invest in the RTO totalling $2.6 million.

In the Directors' opinion, the going concern assumption is considered appropriate based on an expectation of generating sufficient cash to enable the Group to pay its debts as and when they are due and payable through both cash receipts from operations and from raising additional capital.

(d) Business combinations

Business combinations are accounted for by applying the acquisition method which requires an acquiring entity to be identified in all cases. The acquisition date under this method is the date that the acquiring entity obtains control over the acquired entity.

The fair value of identifiable assets and liabilities acquired are recognised in the consolidated financial statements at the acquisition date.

Goodwill or a gain on bargain purchase may arise on the acquisition date, this is calculated by comparing the consideration transferred and the amount of non-controlling interest in the acquiree with the fair value of the net identifiable assets acquired. Where consideration is greater than the net assets acquired, the excess is recorded as goodwill. Where the net assets acquired are greater than the consideration, the measurement basis of the net assets are reassessed and then a gain from bargain purchase recognised in profit or loss.

All acquisition-related costs are recognised as expenses in the periods in which the costs are incurred except for costs to issue debt or equity securities.

Any contingent consideration which forms part of the combination is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and the settlement is accounted for within equity. Otherwise, subsequent changes in the value of the contingent consideration liability are measured through profit or loss.

2 Summary of Material Accounting Policies (continued)

(e) Intangibles

Goodwill

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

- i) the consideration transferred;
- ii) any non-controlling interest; and
- iii) the acquisition date fair value of any previously held equity interest.

over the acquisition date fair value of net identifiable assets acquired in a business combination.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Impairment

At the end of each reporting period, the Directors assess 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 jointly controlled entities 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 to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the profit and loss.

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

3 Critical Accounting Estimates and Judgements

The Directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

Key estimates - fair value of financial instruments

The Group has certain financial assets and liabilities which are measured at fair value. Where fair value is not able to be determined based on quoted price, a valuation model has been used. The inputs to these models are observable, where possible, however these techniques involve significant judgements and estimates and therefore fair value of the instruments could be affected by changes in these assumptions and inputs.

4 Revenue and Other Income

	2024 $	2023 $
Revenue from contracts with customers		
- consultancy fees	**806,811**	340,245
- director fees	**319,744**	361,482
- capital raise fees	**33,482**	78,180
- annual support plan	**97,500**	106,667
- sponsorship and ticket revenue (ATC)	**324,115**	181,182
- provision of programs (TRW)	**31,907**	-
	1,613,559	1,067,756
Revenue from other sources		
- unrealised gain in value - shares	**1,028,719**	2,039,560
- unrealised gain/(loss) in value - ESOP	**(29,863)**	29,784
- realised gain/(loss) on sale of financial assets	**193,365**	(31,333)
	1,192,221	2,038,011
Total Revenue	**2,805,780**	3,105,767

5 Income Tax Expense

Reconciliation of income tax to accounting profit:

	2024 $	2023 $
Profit (loss)	**(376,989)**	1,174,162
Tax	25%	25.00%
	(94,247)	293,541
Add:		
Tax effect of:		
- share based payments expensed during year	**56,790**	46,495
- other reconciling items	**(118,452)**	(39,654)
Income tax expense (benefit)	**(155,909)**	300,382

Notes to the Financial Statements
For the Year Ended 30 June 2024

6 Cash and Cash Equivalents

	2024 $	2023 $
Cash at bank and in hand	**804,465**	1,056,590
	804,465	1,056,590

7 Trade and Other Receivables

	2024 $	2023 $
CURRENT		
Trade receivables and prepayment	**302,727**	38,423
Loan to related party	**125,000**	-
	427,727	38,423

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

The loan to the related party is interest free and has no fixed term for repayment, and includes a first ranking security interest over all of the present and after acquired property of Candy Club Holdings Ltd.

8 Financial Assets

	2024 $	2023 $
NON-CURRENT		
Financial assets - options	**851,485**	561,604
Financial assets - shares	**9,051,365**	7,398,239
Financial assets - convertible notes	**331,593**	331,593
	10,234,443	8,291,436

9 Intangible Assets

	2024	2023
	$	$
NON-CURRENT		
Goodwill	**1,465,056**	40,000
	1,465,056	40,000

On 26 April 2024, Scalare Partners Pty Ltd acquired 100% of the equity in Tech Ready Women Pty Ltd (TRW). This acquisition allows the Group to extend its services to a wider ecosystem, generate additional revenue, increase investment deal flow, accelerate market expansion and be able to support more women in technology.

At 30 June 2024, the initial accounting for the business combination is incomplete and have only been determined provisionally. Management are currently undertaking an exercise to determine the allocation of the intangible assets acquired as part of the business combination. There are no measurement period adjustments recognised during the year.

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Following initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. They are amortised on a straight-line basis over their estimated useful lives.

Intangible assets with indefinite useful lives are not amortised. Instead, they are tested for impairment annually or more frequently if events or changes in circumstances indicate they may be impaired.

Goodwill is considered to have an indefinite useful economic life. It is therefore not amortised but is instead tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired.

Refer to Note 20 for details of the acquisition of Tech Ready Women Pty Ltd (TRW).

Notes to the Financial Statements

For the Year Ended 30 June 2024

10 Trade and Other Payables

	2024 $	2023 $
CURRENT		
Trade payables	**74,721**	59,653
GST & PAYG payable	**96,158**	55,001
Accrued expenses	**161,926**	68,400
Provision for Annual Leave	**121,970**	114,028
Deferred Revenue – Annual Support Plan	**144,500**	40,000
Other payables	**42,884**	36,414
Total	**642,159**	373,496

Trade payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

11 Other liabilities

	2024 $	2023 $
CURRENT		
Deferred consideration	**287,459**	-
Total	**287,459**	-
NON-CURRENT		
Deferred consideration	**1,020,077**	-
Total	**1,020,077**	-

Deferred consideration is payable in relation to the acquisition of Tech Ready Women Pty Ltd ('TRW') over a 3-year period and is contingent upon TRW's achievement of projected revenue levels over this period. Management have performed an assessment of the probability of achieving these revenue levels at 30 June 2024.

12 Issued Capital

	2024 $	2023 $
13,819,934 (2023: 11,587,057) Ordinary shares	**7,889,530**	5,857,018
	7,889,530	5,857,018

(a) Ordinary shares

The holders of ordinary shares are entitled to participate in dividends and the proceeds on winding up of the Company. On a show of hands at meetings of the Company, each holder of ordinary shares has one vote in person or by proxy, and upon a poll each share is entitled to one vote.

The Company does not have authorised capital or par value in respect of its shares.

(b) Capital management

The key objectives of the Company when managing capital is to safeguard its ability to continue as a going concern and maintain optimal benefits to stakeholders. The Company defines capital as its equity and net debt.

There has been no change to capital risk management policies during the year.

The Company manages its capital structure and makes funding decisions based on the prevailing economic environment and has a number of tools available to manage capital risk.

13 Reserves

Share option reserve

This reserve records the cumulative value of employee service received for the issue of share options. As at 30 June 2024, all of the options that were issued since inception have been exercised by the option holders.

	2024 $	2023 $
Option reserve		
Share based payments	**744,143**	516,985
	744,143	516,985

14 Share-Based Payments

A summary of the Company options issued is as follows:

2021-2024 Grant Date	Expiry Date	Exercise price	Start of the year	Granted during the year	Exercised during the year	Forfeited/ Expired during the year	Balance at the end of the year	Vested at the end of the year
1 September 2020	31 August 2030	0.20	-	-	162,150	-	-	162,150
1 October 2020	1 October 2030	0.20	-	-	12,473	-	-	12,473
1 February 2021	1 February 2031	0.20	-	-	22,452	-	-	22,452
1 August 2021	1 August 2031	0.26	-	-	71,134	-	-	71,134
1 September 2021	1 September 2031	0.38	-	-	137,976	-	-	137,976
18 October 2021	18 October 2031	0.49	-	-	82,310	-	-	82,310
1 July 2022	1 July 2032	0.61	-	-	24,600	-	-	24,600
1 August 2022	1 August 2032	0.61	-	-	122,423	-	-	122,423
1 September 2022	1 September 2032	0.61	-	-	101,229	-	-	101,229
18 October 2022	18 October 2032	0.61	-	-	101,229	-	-	101,229
28 July 2023	28 July 2033	0.67	-	19,333	19,333	-	-	19,333
1 January 2024	1 January 2034	0.61	-	127,956	127,956	-	-	127,956

The weighted average fair value of the options granted during the year was $ 1.35 (2023: $ 0.51). These values were calculated by using a Black-Scholes option pricing model applying the following inputs:

Grant date:	28 July 2023	1 January 2024
Expiry date:	28 July 2033	1 January 2034
Share price at grant date ($):	1.96	1.96
Exercise price ($):	0.67	0.61
Weighted average life of the option (months):	12	12
Expected share price volatility:	39.50%	39.50%
Risk-free interest rate:	1.02%	1.02%
Fair value at grant date ($):	25,078	173,412

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

Total expenses recognised in profit or loss for the year relating to share-based payment arrangements are $227,158 (2023: $185,978).

Notes to the Financial Statements

For the Year Ended 30 June 2024

15 Tax Assets and Liabilities

	Opening Balance $	Charged to Income $	Closing Balance $
Deferred tax liabilities			
Fair value gain	719,173	486,399	1,205,572
Other items	(39,418)	(25,267)	(64,685)
Prepayments	2,684	11,342	14,026
Tax losses	(258,769)	(172,091)	(430,860)
Balance at 30 June 2023	423,670	300,383	724,053
Fair value gain	**1,205,572**	**295,853**	**1,501,425**
Other items	**(64,685)**	**(52,819)**	**(117,504)**
Prepayments	**14,026**	**(11,591)**	**2,435**
Tax losses	**(430,860)**	**(387,352)**	**(818,212)**
Balance at 30 June 2024	**724,053**	**(155,909)**	**568,144**

16 Financial Risk Management

The Group is exposed to a variety of financial risks through its use of financial instruments.

The Group's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Group is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk - with the most significant exposure being to price risk

16 Financial Risk Management (continued)

Financial instruments used

The principal categories of financial instrument used by the Group are as follows:

	2024 $	2023 $
Financial assets		
Held at amortised cost		
Cash and cash equivalents	**804,465**	1,056,590
Trade and other receivables	**427,727**	38,423
Fair value through profit or loss (FVTPL)		
Equity securities - designated at fair value through Profit or Loss	**10,234,443**	8,291,436
Total financial assets	**11,466,635**	9,386,449
Financial liabilities		
Financial liabilities measured at amortised cost	**1,949,695**	373,496
Total financial liabilities	**1,949,695**	373,496

Objectives, policies and processes

The Board of Directors have overall responsibility for the establishment of the Group's financial risk management framework. This includes the development of policies covering specific areas such as foreign exchange risk, interest rate risk, liquidity risk, credit risk and the use of derivatives.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The day-to-day risk management is carried out by the Group's finance function under policies and objectives which have been approved by the Board of Directors. The Chief Financial Officer has been delegated the authority for designing and implementing processes which follow the objectives and policies. This includes monitoring the levels of exposure to interest rate and foreign exchange rate risk and assessment of market forecasts for interest rate and foreign exchange movements.

The Board of Directors receives monthly reports which provide details of the effectiveness of the processes and policies in place.

Mitigation strategies for specific risks faced are described below:

Liquidity risk

Liquidity risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

16 Financial Risk Management (continued)

Liquidity risk (continued)

The Group's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Group maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by the ability to sell long-term financial assets.

The Group manages its liquidity needs by carefully monitoring scheduled debt servicing payments for long-term financial liabilities as well as cash-outflows due in day-to-day business.

At the reporting date, these reports indicate that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables and contract assets

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group review includes external ratings, if they are available, financial statements, credit agency information and industry information. Customers who subsequently fail to meet their credit terms are required to make purchases on a prepayment basis until creditworthiness can be re-established.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which the customers operate.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

On a geographical basis, the Group has significant credit risk exposures in Australia given the location of its operations.

16 Financial Risk Management (continued)

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

(i) Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

Such risk is managed through diversification of investments across industries and geographic locations.

The Group's investments are held early stage start-up companies.

17 Key Management Personnel Remuneration

Key management personnel remuneration included within employee expenses for the year is shown below:

	2024 $	2023 $
Short-term employee benefits	**1,429,815**	1,045,570
Post-employment benefits	**132,918**	109,785
Share-based payments	**227,158**	185,978
	1,789,891	1,341,333

18 Auditors' Remuneration

	2024 $	2023 $
Remuneration of the auditor In.Corp Audit & Assurance Pty Ltd (formerly Rothsay Audit & Assurance Pty Ltd), for:		
- audit and review of the financial statements	**18,500**	12,500
Total	**18,500**	12,500

19 Fair Value Measurement

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices 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.

The table below shows the assigned level for each asset and liability held at fair value by the Group:

30 June 2024	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Unlisted Shares	-	**9,051,365**	-	**9,051,365**
Derivatives	-	**851,485**	-	**851,485**
Convertible notes	-	**331,593**	-	**331,593**

30 June 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Financial assets				
Unlisted Shares	-	**7,398,239**	-	**7,398,239**
Derivatives	-	**561,604**	-	**561,604**
Convertible notes	-	**331,593**	-	**331,593**

Highest and best use

The current use of each asset measured at fair value is considered to be its highest and best use.

20 Business Combinations

On 26 April 2024, the Company acquired 100% of the equity in Tech Ready Women Pty Ltd ("TRW") and resulted in the Company obtaining control of TRW.

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

	Fair value
	$
Purchase consideration:	
- Cash and shares	100,000
- Contingent consideration - Current	287,459
- Contingent consideration – Non Current	1,020,077
Total purchase consideration	**1,407,536**
Assets or liabilities acquired:	
Cash	34,613
Trade and other receivables	1,746
Trade and other payables	(53,879)
Total net identifiable assets/(loss)	**(17,520)**
Identifiable assets acquired and liabilities assumed	
Total Consideration	1,407,536
Less identifiable net assets or plus deficiency in net assets acquired	17,520
Goodwill	**1,425,056**

21 Contingencies

Contingent Consideration on the acquisition of Tech Ready Women Pty Ltd ("TRW")

The Group has agreed to pay the existing shareholders of Tech Ready Women Pty Ltd (TRW) additional consideration, dependent upon the revenue levels that the Company has set over the next 3 financial years. The Group has included deferred contingent consideration of $1,307,536 which is the estimated fair value based on the probability of the revenue projections being met.

Apart from the above, there are no other contingencies at 30 June 2024 (30 June 2023: None).

Notes to the Financial Statements

For the Year Ended 30 June 2024

22 Related Parties

(a) The Group's main related parties are as follows:

Key management personnel - refer to Note 17.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(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:

		Balance outstanding	
	Purchases $	Owed by the company $	Owed to the Company
Related entities			
StarSeeds Pty Ltd	60,400	2,000	-
Candy Club Holdings Limited	-	-	125,000

23 Cash Flow Information

Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2024 $	2023 $
Profit (loss) for the year	**(221,080)**	873,780
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit:		
- depreciation	**7,800**	-
- fair value movements on investments	**(1,192,221)**	(2,038,011)
- share options expensed	**227,158**	185,978
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	**(262,558)**	40,727
- (increase)/decrease in financial assets	**(750,006)**	(1,180,336)
- (increase)/decrease in other assets	**46,362**	(45,367)
- increase/(decrease) in trade and other payables	**214,784**	59,611
- increase/(decrease) in income taxes	**(155,909)**	300,383
Cashflows from operations	**(2,085,670)**	(1,803,235)

24 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.

25 Statutory Information

The registered office of the company is:
Scalare Partners Pty Ltd
114 Belmont Road
MOSMAN NSW 2088

The principal place of business is:
Level 7
10 Spring Street
SYDNEY NSW 2000

Directors' Declaration

The directors of the Company declare that:

1. the financial statements and notes for the year ended 30 June 2024:

   a. comply with Australian Accounting Standards, which, as stated in basis of preparation Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and

   b. give a true and fair view of the financial position and performance of the consolidated group;

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

This declaration is made in accordance with a resolution of the Board of Directors.

DocuSigned by: James Walker	DocuSigned by:
Director ...83A26F15157C439...	Director ...96C4354D15A14A7..
James Walker	giles bourne

Dated 12 July 2024

In.Corp Vision To Reality

CHARTERED ACCOUNTANTS™ AUSTRALIA • NEW ZEALAND

SCALARE PARTNERS PTY LTD AND ITS CONTROLLED ENTITIES
INDEPENDENT AUDITOR'S REPORT

In.Corp Audit & Assurance Pty Ltd
ABN 14 129 769 151

Level 1
6-10 O'Connell Street
SYDNEY NSW 2000

Suite 11, Level 1
4 Ventnor Avenue
WEST PERTH WA 6005

GPO BOX 542
SYDNEY NSW 2001

T +61 2 8999 1199
E team@incorpadvisory.au
W incorpadvisory.au

To the Members of Scalare Partners Pty Ltd,

OPINION

We have audited the financial report of Scalare Partners Pty Ltd ("the Company") and controlled entities ("the Group"), which comprises the statement of financial position as at 30 June 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies, and the director's declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Group as at 30 June 2024, and its performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

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 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.

SCALARE PARTNERS PTY LTD AND ITS CONTROLLED ENTITIES

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

DIRECTOR'S RESPONSIBILITY FOR THE FINANCIAL REPORT

The directors of the Group are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and to the extent described in Note 1 to the financial statements and for such internal control as the directors determine is necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error.

In preparing the financial report, the 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 director either intends 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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

In.Corp Audit & Assurance Pty Ltd

Daniel Dalla
Director

Sydney, 12 July 2024