

The background of the cover is a photograph of a coastal scene at sunset. In the foreground, there are green, elongated leaves of a plant, possibly a coastal shrub, which are slightly out of focus. Behind them, a concrete bridge or pier with a metal railing extends from the left towards the center. The sea is visible in the background, with the sun setting on the horizon, creating a golden glow and reflecting on the water's surface. A large, semi-transparent white circle is positioned in the upper right quadrant, containing the text.

indue

Annual Report.

2023/2024



This financial report is for Indue Ltd. A description of the nature of the Company's operations and its principal activities is included in the Directors' Report. The financial statements were authorised for issue by the Directors on 30 August 2024. The Directors have the power to amend and reissue the financial statements.

Indue Ltd is a public unlisted company limited by shares, incorporated and domiciled in Australia.

Its registered office and principal place of business is:

Level 10, 88 Tribune Street, South Brisbane, Qld 4001

Telephone (07) 3258 4222

www.indue.com.au

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It is the mutual respect and depth of the partnerships that we live everyday with our clients that have undoubtedly been the highlight of the year.

Derek Weatherley
Chief Executive Officer



Frank Gullone
Chair, Board



From the Chair and CEO

This year saw the payments industry continue to move towards supporting a modern digital economy. This transformation has been powered by industry collaboration to drive a thriving domestic payments system and has been supported by a raft of regulatory changes signalled by the government's Strategic Plan for the Australian Payment System. This landscape informs our strategic position, which is singularly focused on our purpose of supporting our clients with swift, secure and reliable real-time payment solutions.

Service excellence is at the forefront of our value proposition. Our outstanding success over the past year has been our client engagement, excellent service and record level of client delivery outcomes – these achievements stand as a testament to our commitment to our clients and the people they serve every day in their communities.

Delivering value through client connection

Against the ongoing backdrop of disruption and continual change, we achieved an outstanding level of client advocacy.

Our net promoter score of +30 speaks volumes for our focus

on our clients, with clients particularly valuing Indue's strong relationship model that fosters deep partnerships. Indeed, partnering with our clients is at the core of everything we do.

'Our aim is to ensure each and every one of our clients keep pace with the transition to a digital economy. Amid the many great achievements of the team at Indue this year, it is the mutual respect and depth of the partnerships that we live every day with our clients that have undoubtedly been the highlight of the year.'

Derek Weatherley,
Chief Executive Officer

Continued Growth

Indue was founded over 50 years ago to facilitate payments for mutual banks, which continues today as the heartbeat of our business today.

This year, we were pleased to welcome a range of new mutual banks. Bringing new banks into our network aligns with our vision and it gives Indue and its clients the benefits of greater scale, a deeper community and strengthens our industry-leading outcomes.

The market is evolving and new players continue to emerge and we were very pleased

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We welcome the member representatives on our board. Their oversight of our work underpins the partnership at the heart of our vision.

Frank Gullone
Chair, Board

to have been the payments partner to support the launch of new innovations in banking as a service.

Creativity and flexibility are core to our strategy, and this creativity has seen us continue to thrive and grow our footprint in unique, fully managed financial solutions, particularly in the fintech community and government delivery of payments in many forms.

Driving the future of payments

The shift to the digital economy has accelerated, and Indue is providing our clients with aligned capability. Our focus on this modernisation positions the company to support a digitally connected world, enhanced by

accelerating Artificial Intelligence (AI) capability. This transitional investment underpins our technology strategy as we stay ahead of developing trends.

At an industry level, Indue continues to influence the strategic direction of Australia's payments system through our many industry stewardship roles and our representation on the Board of AusPayNet, which ensures our clients' best interests are looked after.

Traditional payment channels have served Australia and our customers well in making and receiving payments. However, the payments of the future are coming to supersede those of the past, and a major focus for Indue has been on assisting our clients in positioning themselves for the shift to next-generation, real-time, data-rich payments.

Leading product evolution

Indue continues to deliver major projects for our clients completing over 100 individual major projects in the last year. This is an outstanding achievement and a testament to our delivery capability and commitment to innovation. These projects equated to over 200,000 hours of effort dedicated to improving the products, services and systems – a feat we're immensely proud of.

This work delivers best-in-class solutions for our clients with a few standouts this year:

- **PayTo** enabled our clients to provide customers with the ability to pre-authorise payments for subscriptions, membership fees, bills and repayments.

- **Mobile wallet enrichment** enabled our clients to offer customers the convenience of fast and secure payments from their device on the go, closing out the delivery of all ancillary device capability to enhance a full enriched customer experience, including instant card issuance with immediate fraud protection.
- **Blue-chip financial crime protection** has been provided through our best-in-class financial crime product suite and we invested to expand to a full AML solution, providing a 'single view' for all financial crime protection needs.

Keeping our clients ahead

The Federal Government's Strategic Plan for Payments has outlined a roadmap for payments modernisation in Australia. This requires our clients to commence the transition of payment channels to more modern alternatives, and we're working in partnership to support this transition.

We're at the forefront of the fight against rising fraud and scams and we do the heavy lifting for our clients to help them prepare for regulatory changes.

The Scams Accord and the National Anti-Scams Centre are both significant developments in the fight against financial crime in Australia. We are well advanced in our partnering with clients to develop enhanced capabilities.

We're also working with our clients to meet regulatory requirements regarding end-to-end operational resilience.

Preparing for the next great leap forward

Indue's innovative ethos was on full display at our recently concluded id8 tour for 2024. We met with a raft of leaders and regulators across the UK and Europe to ensure Indue and its clients have access to the latest in industry thinking and emerging technology players.

AI shot into consciousness during the year with the release of generative AI capabilities. We explored market leaders' application of these tools in a business sense and we are working to assist clients with education, governance and technology options to embrace the benefits unlocked by these capabilities to drive competitive advantage.

Great leaps forward also continue in the technology landscape, underpinned by cloud computing

and the pending advent of quantum computing. We have commenced work to ensure our clients are ready to capture the benefits and resist the threats that will arise from these advancements.

Success through teamwork

Our achievements over the past year have rested on the shoulders of our incredible team, all of whom have played their part with pride and commitment. Everyone at Indue understands that exceptional customer service isn't just one part of our business; it's everything to us.

Our culture can be attributed to our values, our purpose and strategy. This strategy is supported by the composition of our board, which includes representatives from our clients.

'We welcome the member representatives on our board. Their oversight of our work underpins the partnership at the heart of our vision.'

Frank Gullone, Chair, Board

Our staff consistently tell us that Indue is a great place to work. We know that staff who are engaged with the business and who believe in what it does deliver great experiences for its customers.

We recognise the need to foster talent for tomorrow, and we take great pride in our Emerging Leaders program. This program offers our team clear pathways to new opportunities and to growth both personally and professionally.

'High staff engagement is crucial – there's a direct line from highly engaged staff to client satisfaction and business success.'

Frank Gullone, Chair, Board



Back Row: Ryan Spain – Chief Information Officer, Geraldine Rigo – Company Secretary, Fred Perry – Chief Customer Officer, Derek Weatherley – Chief Executive Officer
Front Row: Bill Cadzow – Head of People & Culture, Kevin Lugg – Chief Delivery Officer, Jane Hinton – General Counsel and Chief Risk Officer, Adrian Buckley – Chief Financial Officer

Key Operating Highlights from FY24:

- In 2024, fraudsters launched more aggressive and sophisticated attacks. Alert to our role in protecting our clients' customers from attack, we strengthened our scam, fraud, and phishing prevention capabilities. Our 24/7 AML and fraud detection service saved over \$214 million for our clients, and we are very proud of this.
- We invested over 200,000 hours of effort to continue supporting our clients. As part of this, our Service Delivery proposition was strengthened to ensure that our clients continue to receive the excellent level of support they deserve. With our client satisfaction and valued rates approaching 100%, we are delivering on our service and relationship commitments.
- On behalf of our clients, we settled approximately 215 million transactions, up 4%.
- Indue continues to invest in the next generation of our technology strategy, developing vital digital integrations to further enable our ability to support our client's future needs. We're well-placed to continue our investment trajectory and support our clients well into the future.
- In 2024, Indue continued to demonstrate its commitment to the partnership we have with our clients, not just through products and services that keep them at pace with the digital economy, but also with substantial price reductions that have enabled our customers to continue to focus and invest in their own businesses to further benefit their members.
- These investments, combined with the value provided back to clients through price reductions, have naturally impacted cash earnings, which have reduced year on year. Choosing to put the product and services our clients value first is part of the mutual ethos that Indue was founded on, and we continued to provide this value back to all our clients as a core principle.
- Our capital position remains sound. Regulatory driven changes to operational risk measurements have impacted our ratio, however we remain well positioned to continue our investment into the accelerating shift to next-generation, real-time, data-rich payments.
- We are pleased to share the outcomes of this financial year with our owners and provide a further return on their investment in Indue. We have declared a fully franked dividend of \$5.

Exciting prospects for the year ahead

We're more energised than ever about the opportunities in front of us. With the payments industry navigating unprecedented changes, Indue is well-positioned to drive the interests of our clients forward as we harness our trademark accessibility, agility and expertise.

As our track record shows, we move quickly to seize opportunities and keep momentum high. In the coming

year, Indue will continue to develop our digital architecture and explore new opportunities collaboratively with our clients, including technology modernisation, retirement of legacy payments, and enhancing our product and services to positioning for regulatory compliance in many areas.

Over the long term, Indue is in a strong position to support its clients through the changes remapping the financial services and payments industries. We're fired up about making payments even simpler and safer for the millions of Australians who rely on us.



Frank Gullone
Chair, Board



Derek Weatherley
Chief Executive Officer

2024 – a record year

- **100+**
major projects
delivered
- **2 new**
mutual client
onboardings
- **84%**
of clients are
satisfied
- **88%**
of clients feel
valued
- **+30**
net promoter
score
- **2 AML**
customers
onboarded
- **\$214m+**
saved for clients
in AML & Fraud
detection
- **Settled**
approx. 215 million
transactions up 4%
on 2023
- **8 PayTo**
deployments
- **75%**
employee
engagement
- **88%**
of employees
retained

Community.



\$100k+

Raised through Vinnies
CEO Sleepout since 2017



\$15k+

in donations made to customers community
initiatives through our illumin8 program



72 lives saved

Through Australian Red Cross
Lifblood blood donations



100%

Indue employee volunteers
found the experience rewarding



\$17k+

Raised through Indue
charity donations



94+ hours

Spent volunteering by
Indue employees



Values

Our culture is underpinned by our values
which we aspire to every day:

Go Far. Go Together.

Teamwork, Partnership, Client Network,
Long Term Focus and Inclusion.

Real Heart. Real Action.

Passion, Delivery, People First,
Social Impact and Authenticity.

Open Mind. Open Doors.

Customer First, Innovation
and Diversity.



Indue has a proud history as a payments innovator that stretches back to our establishment more than 50 years ago. More than half a century later, that spirit continues to drive our company's performance, and we remain grounded in our roots as a service provider to clients who work every day to support their communities.

The strongest expression of our values in action is our Illumin8 program, which actively supports the communities that our clients serve. This program is particularly special because it provides the Indue team with the opportunity to give back to communities while forming deeper client connections by volunteering alongside our clients in their communities.

In keeping with our mutual heritage, we elected this year to

take a demonstrable step forward to align with our clients in support for the society and environment in which we all live. To this end, we commenced our journey towards B Corp certification as a reflection of our alignment with the values of our clients. Becoming a B Corp confirms our commitment to improving the society in which we live and the value we place on social and environmental performance, accountability and transparency.

This year, the causes our team supported included Vinnies CEO Sleepout, OzHarvest, The Salvation Army, QBank Everyday Heroes, Sydney Children's Hospital, Movember, Share the Dignity, Carrie's Place, the International Women's Day Fun Run, Tour de Rocks and the Women's & Girls' Emergency Centre.

Emerging Leaders Program

Our inaugural Emerging Leaders Program commenced in 2023.

This program forms part of our Indue Leadership Academy and has been developed for talented individuals across the business who've been identified as someone who has the potential to be a future Indue Leader.

The 10-month program is aimed at building and developing leadership skills through a series

of workshops, activities and challenges focused on enhancing the participants broader knowledge and understanding of the Indue business and fundamental leadership qualities and principles.

This year we celebrated our first cohort of Emerging Leaders Graduates.

Congratulations to all our participants.

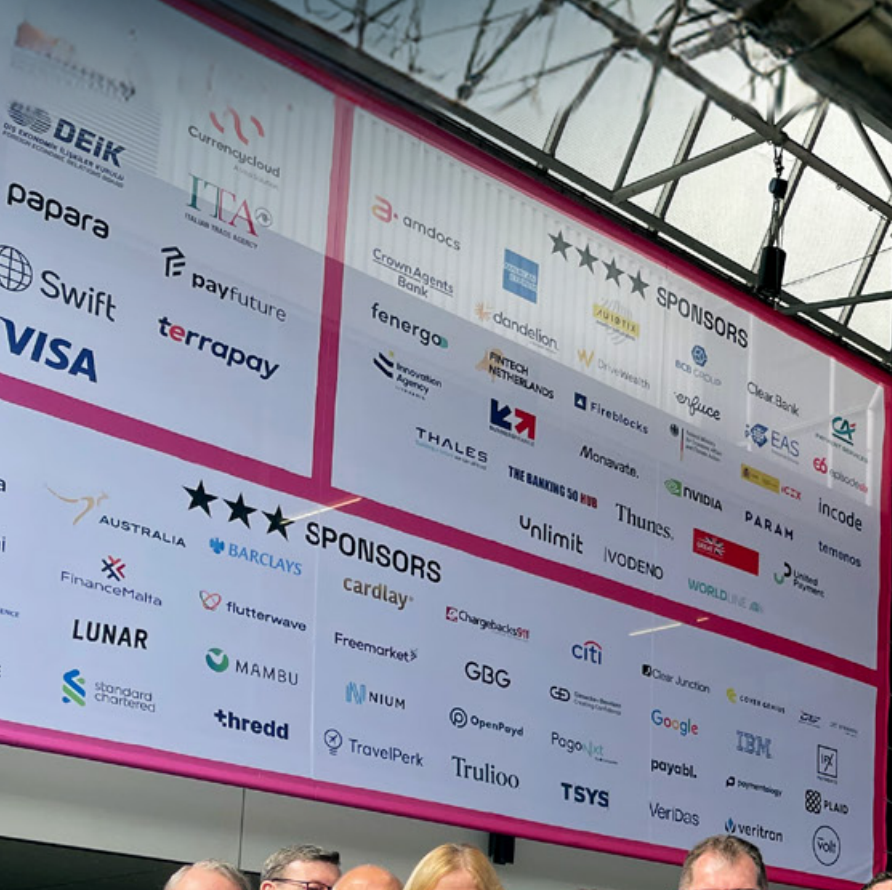




This program forms part of our Indue Leadership Academy and has been developed for talented individuals across the business who've been identified as someone who has the potential to be a future Indue Leader.

Bill Cadzow
Head of Leadership Development & Coaching







Id8 Tour 2024 – London & Amsterdam

In June 2024, Indue embarked on our second client Innovation Tour. The backdrop for this tour was the Money 20/20 conference in Amsterdam, with a variety of deep dive sessions across Amsterdam and London wrapped around the conference.

We saw and listened to stories over the 10 days that explored emerging legislation and regulation, cyber, scams, payment trends, stories of disruption and innovation, personalisation, organisational culture, Environment, Social and Governance (ESG) and technology trends with a large focus on Artificial Intelligence (AI), especially generative AI. The sessions cemented some of what we knew, opened our minds to new concepts, ways of working and strategies, it sharpened our minds (AI risks and Scam liability) and offered space to think and get excited about what is possible, despite the challenges of being in a very tough industry.

It allowed us to reflect on the pandemic era and how this has shaped and influenced consumer behaviour and expectations with the reduction of cash, resurgence of Quick Response (QR) codes and the expectation

of personalisation and availability. Also, how it has shaped our teams' expectations and working habits, forcing us to redefine leadership styles, expectations and cultures.

Our valued clients spent 10 immersive days together across Amsterdam and London and became well connected, discussing challenges and opportunities for our businesses and industry, and most importantly banking customers. This networking and fresh insights were the greatest value cited by our delegates promoting a real desire to come together more as a community post-tour, to share ideas, maximise economies of scales and drive differentiation for our community. This is where Indue will now ensure our focus is placed.

Delegate feedback: All tour participants rated the tour as Excellent overall. The standout satisfaction with the tour goals was the strengthening community network with all agreeing it met the goal 100%. This sentiment and general desire to come together and work on non-compete areas of their business is a wonderful indication of why we offer the tours.

Corporate Governance report.

Overview

The Board is committed to sound and prudent standards of corporate governance for Indue and the Governance, Remuneration & Nominations Committee ("Committee") is responsible for advising the Board and monitoring Indue's compliance with these standards. The Board maintains a statement of corporate governance principles, which defines the framework under which Indue Ltd ("the Company") is directed. The implementation of this disciplined governance structure ensures appropriate development, prioritisation and delivery of business strategies, as well as consistent and informed decision making to conduct the Company's activities and achieve its objectives. In addition, the Committee continues to ensure that Indue complies with the Australian Prudential Regulation Authority's (APRA) Governance Prudential Standards. The Board of Directors of Indue is accountable to the Company to ensure the safety of shareholder funds and that the Company operates in a sustainable and responsible way. The Board aims to achieve these objectives through:

- improving the performance of Indue through the formulation, adoption and monitoring of corporate strategies, budgets, plans, policies and performance;
- setting strategic direction, targets and monitoring the performance of senior management and of itself;
- monitoring the conduct of the Company and senior management;
- ensuring the annual review of succession planning;
- identifying and monitoring the management of the principal risks and the financial performance of Indue; and
- putting appropriate procedures in place to satisfy its corporate and legal responsibilities whilst conducting its business in compliance with all laws and in an honest, open and ethical manner.

The Board has delegated responsibility for the management of the day-to-day activities of Indue to its Chief Executive Officer.





Board Meetings

The number of Board meetings and each Director's attendance at those meetings is set out in the report of the Directors. Directors are expected to prepare for, attend and participate at Board meetings and meetings of committees. The Board meets principally at either the head office in Brisbane or the Company's office in Sydney.

Wherever circumstances prevent physical attendance at meetings, the Board meets via online videoconference facilities.

New Directors, Induction and Continuing Education

The Committee oversees the appointment of new Directors to the Board. To ensure that the Board has the necessary and desirable competencies, when considering any recommended appointments to the Board the Committee takes into consideration the mix of skills, experience, expertise, diversity and other qualities of the existing Directors and assesses the skills required to discharge competently the Board's duties having regard to the Company's performance, financial position and strategic direction.

Management, working with the Board, provides an orientation program for new Directors. The program includes discussions with executives and management, and where requested, the external auditor, and reading material. This material covers the Company's strategic plans, its significant financial, accounting and risk

management issues, compliance programs, management structure, internal and external audit programs, and Directors' rights, duties and responsibilities. Management periodically provides additional information sessions for Directors about the Company, and the factors impacting, or likely to impact, the businesses. These assist the Directors to gain a broader understanding of the Company and its industry. Directors are also encouraged to keep up to date on topical issues.

Performance Evaluation

The Board assesses its effectiveness regularly through an evaluation process, which includes assessment of:

- the appropriateness and relevance of the meeting schedule and agenda;
- the appropriateness, relevance, content and standard of Board material;
- the identification and management of risks faced by the Company;
- the range and standard of skills available at Board level;
- the collective and individual performance of Directors; and
- the performance of its Chair.

For the reporting period, the Board undertook this evaluation process by conducting an internal self-assessment process.

In addition, the Board assesses annually the performance of the Chief Executive Officer and Executive Leadership Team against agreed objectives.

Remuneration of Directors

The constitution of the Company provides for two Groups of Directors, both elected in accordance with the constitution. Group One Directors, referred to as 'Industry Directors', must be officers, employees or associates of a member. Group Two Directors, referred to as 'Independent Directors' must not be officers, employees or associates of a member. Industry Directors are not remunerated by the Company. Independent Directors are remunerated by the Company, with shareholders determining the maximum annual aggregate amount of remuneration that may be provided to them at the Annual General Meeting. The Governance, Remuneration & Nominations Committee receives advice from independent experts on appropriate levels of Director remuneration and guides the Board in this regard. The remuneration of key personnel is disclosed in note 16.

Performance & Remuneration of Senior Executives

The Company's performance management framework covers all senior executives of the Company and entails the setting of Key Result Areas (including both financial and non-financial measures). Performance discussions are conducted bi-annually between each senior executive and their manager,

with a formal end of year review which includes comparing and calibrating each senior executive to the performance of peers. For the reporting period, this performance assessment process was conducted in accordance with the agreed framework. The Board, on advice from the Committee, sets the remuneration and performance objectives of the Chief Executive Officer, Executive Leadership Team and Specially Designated Positions. Remuneration is reviewed within a Board-established framework, which includes base remuneration, the short-term performance incentive program and, for key executives, a long-term retention program. The Governance, Remuneration & Nominations Committee is assisted by independent experts providing advice and benchmarking data.

Access to Management

Board members have complete and open access to management. The Company Secretary provides advice and support to the Board, and the Chief Risk Officer is responsible for the Company's day-to-day governance framework. In addition, each Director is entitled to seek independent professional advice at the Company's expense, with the prior approval of the Chair. The Board can conduct or direct any investigation to fulfil its responsibilities and can retain, at the Company's expense, any legal, accounting or other services, it considers necessary to perform its duties.

Risk Management & Internal Audit

The Board is responsible for reviewing and approving the overall risk management strategy, including determining the Company's appetite for risk. The CEO and Executive Leadership Team have the day-to-day responsibility of implementing Indue's risk management strategy and frameworks and for identifying and managing risk. On at least an annual basis, Indue's risk management framework is formally reviewed and management provide attestations to the Board that confirm that all key risks facing Indue have been identified, that management has established systems to monitor and manage those risks and the risk management frameworks are operating effectively and are adequate having regard to the risks they are designed to control. This review process was completed for the reporting period.

The Company has an independent internal audit function (currently outsourced to professional services firm, PricewaterhouseCoopers) that reports to the Audit Committee. The internal audit function is responsible for evaluating, testing and reporting on the adequacy and effectiveness of the Company's internal controls. To ensure independence, the Company's Internal Audit function has a direct reporting line to the Chair of the Audit Committee.





Board Committees

To assist the Board in fulfilling its responsibilities, the Board has established a number of Committees. Each Committee has its own charter, which sets out its responsibilities. The Board had the following Committees during the financial year:

- Audit Committee;
- Risk Committee;
- Governance, Remuneration & Nominations Committee; and
- Information Technology Committee

Audit Committee

Principal Responsibilities are as follows:

- to assist the Board in fulfilling its responsibilities, by providing an independent, objective, non-executive review of the effectiveness of reporting of financial information and the internal control environment;
- to oversee and appraise the effectiveness of the audit program conducted by the Company's internal and external auditors;
- to monitor the Company's processes for compliance with financial reporting laws and regulations;
- to maintain open lines of communications among the Board, the internal auditors and the external auditors to exchange views and information, as well as confirm their respective authority and responsibilities;
- to review the financial information presented by management to shareholders and regulators; and
- to consider the adequacy of the Company's administrative operating and accounting controls, in line with audit reports and where the Committee considers appropriate, report to the Board on any changes to laws, regulations or standards relevant to the Company in this context.

A reference to "internal auditors" includes contemplation of an internal audit department entirely resourced by employees of Indue, a fully outsourced internal audit function or a co-sourced internal audit function.

The number of meetings of the Audit Committee held during the financial year and the number of meetings attended by the Committee members were as follows:

Audit Committee		Held	Attended
Chair	S Rix	5	5
Members	A De Fazio	5	5
	P Townsend	5	4
	T Oldham	5	4

The meetings held during the year indicate the number of meetings held during the period the individual was a Committee member.

Risk Committee

Principal Responsibilities are as follows:

- provide oversight of the implementation, effectiveness and operation of the Company's risk management function and systems (which includes all material risks as defined in the Company's risk management strategy);
- oversight of the Company's risk profile and assessment of this alignment with the Board's Risk Appetite Statement;
- support the oversight and promotion of the risk culture of the Company;
- review assurances to enable the Board and the Risk Committee to make declarations on risk management to APRA as required;
- commission a comprehensive independent review (to be conducted every three years or as required by APRA) on the appropriateness, effectiveness and adequacy of the Company's risk management framework and Internal Capital Adequacy Assessment Process (ICAAP), and consider the results of the report;
- review management's plans to mitigate material risks faced by the Company;
- make recommendations to the Board concerning the Company's current and future risk appetite, risk management strategy and particular risks or risk management practices;
- consider new business opportunities, products or initiatives that have been assessed against the Company's Risk Appetite Statement and either approve, not approve or require additional work or activities be undertaken by management;
- provide oversight of the implementation, effectiveness and operation of Indue's compliance management function and systems;
- oversee the Company's compliance with APRA Prudential Standards;
- review significant findings of any internal and external compliance reports, consider the adequacy of management responses and ensure that risks are mitigated in line with the Company's risk appetite statement and risk management strategy;
- consider the adequacy of the Company's credit, liquidity, large exposure, operational and market risk controls in compliance with APRA Prudential Standards;
- advise the Board on the impact the Company's strategic direction will have on the Company relative to its capitalisation, the composition of its capital base and the ownership structure of the Company;
- advise the Board on the alternatives for capitalisation and impacts of regulatory change on the Company relative to its capitalisation and composition of its capital base;
- recommend dividend payments to the Board in line with the Company's Dividend Policy;
- oversee the Company's ICAAP and Capital Stress Testing; and
- make appropriate recommendations to the Board so that it is aware of matters that may impact the Company's ability to remain adequately capitalised in the future.

The number of meetings of the Risk Committee held during the financial year and the number of meetings attended by the Risk Committee members were as follows:

Risk Committee		Held	Attended
Chair	T Oldham	5	5
Members	P Wright	5	5
	S Rix	5	5
	B Fuller	5	4

The meetings held during the year indicate the number of meetings held during the period the individual was a Committee member.

Governance, Remuneration & Nominations (GRN) Committee

Principal Responsibilities are as follows:

- develop and recommend to the Board for approval the Company's Statement of Corporate Governance Principles;
- review the Board's committee structure and establish principles under which they operate in accordance with the constitution and good corporate governance principles;
- develop and recommend to the Board for its approval, an annual evaluation process of the Board and its committees;
- review the Board's meeting procedures, including the appropriateness and adequacy of the information supplied to Directors prior to and during Board meetings;
- review and recommend to the Board for its approval an Accountability Matrix for the Company and Accountability Statements for each Executive and Board member;
- review outside directorships in other companies held by senior company officials;
- evaluate the skills required to discharge the Board's duties having regard to the Company's strategic direction, performance and financial position;
- develop and implement processes to assess whether the necessary and desirable competencies and skills are represented on the Board;
- undertake the process for considering and recruiting new Board members and recommend preferred candidates to the Board;
- develop and recommend to the Board for its approval the Company's Nominations Policy and the manner and processes in which the Board reviews and selects potential Directors and determines Director tenure, Board composition and Board size;
- oversee the annual retirement and appointment of Directors as part of the re-election processes as set out in the Constitution;
- develop and recommend succession planning for Directors;
- develop and recommend to the Board for its approval the Company's Remuneration Policy;
- annually review the effectiveness and compliance of the Company and the Remuneration Policy with the requirements of governance prudential standards;
- make annual recommendations to the Board in respect of the remuneration of the CEO, the Executive Leadership Team, those occupying Special Designated Positions, and any other person whose remuneration is designated by APRA as being required to be reviewed by the Board; and
- annually review the Company's Succession Planning activities for the CEO and other key Executive Management roles.

The number of meetings of the GRN Committee held during the financial year and the number of meetings attended by the GRN Committee members were as follows:

Governance, Remuneration & Nominations (GRN) Committee		Held	Attended
Chair	F Gullone	4	4
Members	A De Fazio	4	4
	P Townsend	4	4

The meetings held during the year indicate the number of meetings held during the period the individual was a Committee member.

Information Technology Committee (ITC)

Principal Responsibilities are as follows:

- assist the board of Directors in fulfilling its responsibilities relating to the Information Technology (IT) Management and reporting practices of the Company;
- ensure effectiveness of enterprise IT strategy;
- ensure strategic alignment and ongoing health of the portfolio of IT Investment; and
- monitor effectiveness of compliance with IT and related business policies.

The number of meetings of the ISC held during the financial year and the number of meetings attended by the ISC members were as follows:

Information Technology Committee		Held	Attended
Chair	P Wright	5	5
Members	T Oldham	5	5
	B Fuller	5	3

The meetings held during the year indicate the number of meetings held during the period the individual was a Committee member.



F Gullone
Chair, Board

30 August 2024



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Directors' Report



Back Row: Peter Townsend, Tim Oldham, Peter Wright
Front Row: Byron Fuller, Geraldine Rigo, Frank Gullone, Susan Rix, Anthony De Fazio

The Directors submit the following report on Indue Ltd in respect of the financial year ended 30 June 2024.

Directors

The names of the persons who have been Directors, or appointed as Directors, during the period since 1 July 2023 and up to the date of this report are: Frank Gullone (Chair), Anthony De Fazio, Peter Townsend, Peter Wright, Susan Rix, Timothy Oldham and Byron Fuller.

Particulars of the Directors as at the date of this Report, including all other directorships held by the Director, are set out on the next page.

Directors' Report

Peter Wright MBA, MAICD

Director since 01.08.18

Indue committees:
Risk; Information Technology.

Other Directorships Held (at date of report)

Managing Director, PHW
Consulting Pty Ltd

Anthony De Fazio B.Com, FCPA

Director since 04.07.19

Indue committees:
Governance, Remuneration
and Nominations; Audit.

Other Directorships Held (at date of report)

Director, Victoria Police Legacy
Scheme Incorporated

Byron Fuller B.Bus, MAppFin, GradDip App Fin, CPA

Director since 26.05.23

Indue committees:
Risk; Information Technology

Other Directorships Held (at date of report)

NA

Frank Gullone B.Bus (Acc), GradDip SI, AMP (Harvard), FCPA, FAICD

Director since 02.04.13 and
Chair since 28.08.20

Indue committees:
Governance, Remuneration
and Nominations.

Other Directorships Held (at date of report)

Director, Gullone Group Pty Ltd
Director, Gullone Commercial
Solutions Pty Ltd

Susan Rix AM B.Fin Admin (UNE), FCA and FAICD

Director since 08.01.21

Indue committees:
Audit; Risk.

Other Directorships Held (at date of report)

Director, CENet
Director, SBR Consulting Pty Ltd
Director, Uniting Care
Queensland
Director, The Bird Family
Foundation Pty Ltd

Peter Townsend MBA, MAICD, FAMI, JP

Director since 22.08.01

Indue committees:
Governance, Remuneration
and Nominations; Audit.

Other Directorships Held (at date of report)

Director, The Kempsey Golf
Club Ltd
Director, Country Universities
Centre

Timothy Oldham B.Comm, GradDip SIA and GAICD

Director since 27.09.21

Indue committees:
Risk; Information Technology.

Other Directorships Held (at date of report)

Director, Bank of China
Australia Limited
Director, Waves of Wellness
Foundation
Director, Copo Pty Ltd
Director, Tudibaring Partners
Pty Ltd

Directors' Report

Company Secretary

The details of the Company Secretaries holding office at the end of the reporting period are disclosed below:

Name	Qualifications	Experience
Jane Elizabeth Hinton	LLB	<ul style="list-style-type: none"> Solicitor since 2006; Indue Ltd Company Secretary since February 2012; and Currently General Counsel, Chief Risk Officer & Company Secretary, Indue Ltd.
Geraldine Rigo	BCom, BEcon	<ul style="list-style-type: none"> Appointed Indue Ltd Company Secretary March 2022; and Currently Head of Risk & Compliance, and Company Secretary, Indue Ltd

Director's Meetings

The number of Directors' meetings and number of meetings attended by each of the Directors of Indue Ltd during the year ended 30 June 2024 are set out in the table below:

Directors	Board Meetings		Committee Meetings	
	# of meetings eligible to attend	# of meetings attended	# of meetings eligible to attend	# of meetings attended
Frank Gullone (Chair)	13	13	4	4
Peter Townsend	13	12	9	7
Peter Wright	13	13	10	10
Anthony De Fazio	13	11	9	9
Susan Rix	13	13	10	10
Tim Oldham	13	12	15	14
Byron Fuller	13	11	10	7

All Directors requested and were granted leave for meetings they were unable to attend.

Directors' Report

Principal Activities

The principal activities of the Company during the year were the provision of processing, settlement and monitoring services in relation to financial access products including:

- Cards (Credit, Debit, Gift and Prepaid card programs) and
- Payments (NPP, BPAY, Chequing & Direct Entry – counter-party settlement, dispute management, stock production and transaction reporting).

Additional services include:

- Financial crimes – mitigating fraud and AML; and
- The supply of software applications (principally banking software) and related professional services.

Dividends

Dividends paid to members during the financial year were as follows:

Name	2023-24 \$'000	2022-23 \$'000
Dividend Paid 27 October 2023	770	–
Dividend Paid 28 October 2022	–	1,045

Review of Operations

An operating profit after tax of \$1.918 million (2023: \$3.922 million) was achieved this year. A full review of operations is contained in the Chair and CEO's report.

Significant Changes in the State of Affairs

No significant changes occurred in the state of affairs of the Company during the year not otherwise disclosed in this report, or the financial report.

Events Subsequent to Balance Date

The Directors are not aware of any other matter or circumstance not otherwise dealt with in the report that has significantly, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial years, since the end of the financial year.

Likely Developments

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this annual financial report because the Directors believe it would be likely to result in unreasonable prejudice to the Company.

Directors' Report

Director's Benefits

No Director of Indue Ltd has, since the end of the previous financial year, received or become entitled to receive a benefit (other than a benefit included in the total amount of emoluments received or due and receivable by Directors shown in the accounts) by reason of a contract made by the Company, or a related body corporate with the Director, or with a firm of which the Director is a member, or with a Company in which the Director has a substantial financial interest.

Insurance of Officers

During the financial year, the Company paid a premium in respect of a contract insuring the Directors, Secretaries and specified employees of the Company. In accordance with normal commercial practice, disclosure of the total amount of the premium paid, and the terms of the policy, are prohibited from being disclosed by a confidentiality clause in the contract of insurance.

Rounding of Amounts

The Company is of a kind referred to in Class Order 2016/191, issued by the Australian Securities & Investments Commission (ASIC) on 24 March 2016, relating to the 'rounding off' of amounts in the Directors' report and financial statements. Amounts in the Directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor's Independence Declaration

A copy of the auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 30.

Non-Audit Services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important.

Details of the amounts paid or payable to the auditor (KPMG) for audit and non-audit services provided during the year are set out in note 5.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out in Note 5, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in The Code of Ethics for Professional Accountants APES 110, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

Directors' Report

Environmental Regulation

The Company's operations are not subject to any particular or significant environmental regulation under any law of the Commonwealth or of a State or Territory.

This report is made out in accordance with a resolution of the Directors.

For and on behalf of the Board.



F Gullone
Chair, Board



A De Fazio
Deputy Chair, Board

30 August 2024



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Indue Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of Indue Limited for the financial year ended 30 June 2024 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature of the KPMG representative, appearing as 'KPMG' in a stylized, cursive script.

KPMG

A handwritten signature of Ben Flaherty, appearing as 'Ben Flaherty' in a cursive script.

Ben Flaherty
Partner

Brisbane
30 August 2024

Statement of Profit or Loss and Other Comprehensive Income

For The Year Ended 30 June 2024

	Notes	2024 \$'000	2023 \$'000
Interest revenue		30,470	20,651
Interest expense		(22,063)	(13,547)
Net interest income		8,407	7,104
Other fee income	3	98,933	105,993
Fees expense		(37,626)	(40,873)
Net other fee income		61,307	65,120
Other non-interest revenues		33	685
IT services		(5,780)	(4,780)
Depreciation & amortisation		(7,054)	(9,108)
Employee benefits expense		(36,820)	(35,224)
Professional services		(1,663)	(1,255)
Project expenses		(7,703)	(7,586)
Other expenses		(7,873)	(9,930)
OPERATING PROFIT FROM CONTINUING OPERATIONS BEFORE INCOME TAX		2,854	5,026
Income tax (expense)/benefit	4	(936)	(1,104)
OPERATING PROFIT FROM CONTINUING OPERATIONS AFTER INCOME TAX		1,918	3,922
Profit attributable to the owners of Indue Ltd		1,918	3,922

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

Statement of Financial Position

As at 30 June 2024

	Notes	2024 \$'000	2023 \$'000
ASSETS			
Cash and cash equivalents	6	454,337	380,895
Receivables due from other financial institutions		4,546	4,330
Trade and other receivables	7	19,141	15,261
Other financial assets at amortised cost	6	315,989	309,398
Intangible assets	8	19,880	20,621
Property, plant and equipment	9	7,749	7,392
Other assets	11	10,352	9,785
Net deferred tax asset	10	2,852	2,250
Current tax asset		1,401	586
TOTAL ASSETS		836,247	750,518
LIABILITIES			
Deposits	12	740,856	658,319
Payables due to other financial institutions		9,013	7,331
Creditors and other liabilities	13	14,152	13,803
Provisions	14	6,716	6,703
TOTAL LIABILITIES		770,737	686,156
NET ASSETS		65,510	64,362
EQUITY			
Contributed equity	15	16,991	16,991
Retained earnings		48,519	47,371
TOTAL EQUITY		65,510	64,362

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For The Year Ended 30 June 2024

	Contributed Equity \$'000	Reserves \$'000	Retained Earnings \$'000	Total \$'000
BALANCES AS OF 30 JUNE 2022	16,991	1,723	42,771	61,485
Profit for the Period	-	-	3,922	3,922
Total comprehensive income for the year as reported	-	-	3,922	3,922
Transfers		(1,723)	1,723	-
Dividends provided for or paid	-	-	(1,045)	(1,045)
BALANCES AS OF 30 JUNE 2023	16,991	-	47,371	64,362
Profit for the Period	-	-	1,918	1,918
Total other comprehensive income/(loss)	-	-	-	-
Total comprehensive income/(loss) for the year as reported	-	-	1,918	1,918
Dividends provided for or paid	-	-	(770)	(770)
BALANCES AS OF 30 JUNE 2024	16,991	-	48,519	65,510

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For The Year Ended 30 June 2024

	2024 \$'000	2023 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest received	30,470	20,651
Interest paid	(21,769)	(13,428)
Receipts from customers (inclusive of GST)	104,766	119,071
Payments to suppliers and employees (inclusive of GST)	(106,478)	(113,976)
Income tax refunds received	588	-
Income taxes paid	(2,940)	(4,988)
Loans and investments	(6,591)	13,792
Deposits	82,538	86,371
NET CASH INFLOW FROM OPERATING ACTIVITIES	80,584	107,493
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for intangible assets	(3,851)	(4,637)
Payments for property, plant and equipment	(2,774)	(1,271)
Proceeds from property sale	-	3,500
NET CASH OUTFLOW FROM INVESTING ACTIVITIES	(6,625)	(2,408)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease liabilities	(1,474)	(2,005)
Lease incentive received	1,727	-
Borrowings paid	-	(27,022)
Dividends paid to company's shareholders	(770)	(1,045)
NET CASH INFLOW / (OUTFLOW) FROM FINANCING ACTIVITIES	(517)	(30,072)
Net increase in cash and cash equivalents held	73,442	75,013
Cash and cash equivalents at the beginning of the financial year	380,895	305,882
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	454,337	380,895

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes To The Financial Statements

For The Year Ended 30 June 2024

1. Summary of Significant Accounting Policies

Indue Ltd (the 'Company') is domiciled in Australia. The Company's registered office is at 88 Tribune Street, South Brisbane, Queensland.

The Company is a for-profit entity and primarily operates in the payment services industry offering white labelled and transactional products to financial institutions, commercial businesses and government departments. The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented.

(a) Basis of preparation

Statement of Compliance

The financial statements of the Company are general purpose financial statements which have been prepared on a standalone basis and in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The financial statements comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements were authorised for issue by the Board of Directors on 30 August 2024.

Historical cost convention

These financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 1(r). Estimates and underlying assumptions are reviewed on an ongoing basis.

Changes in Comparatives

Where applicable prior year figures have been adjusted in accordance with current year disclosures.

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except for any new accounting standards adopted during the current year.

Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

Rounding

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with that Instrument, all financial information presented in Australian dollars has been rounded to the nearest thousand unless otherwise stated.

Notes To The Financial Statements

For The Year Ended 30 June 2024

(b) Financial assets

Recognition and de-recognition

Regular purchases of financial assets are recognised on trade-date, the date on which the Company commits to purchase the asset. Financial assets are initially recognised at fair value plus transaction costs directly attributable to the acquisition of the financial asset, for all financial assets not carried at fair value through the profit or loss.

Financial assets are de-recognised when:

- the rights to receive cash flows from the financial assets have expired; or
- the rights to receive cash flows from the financial assets have been transferred and the Company has transferred substantially all the risks and rewards of ownership; or
- the Company has neither transferred nor retained substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Classification

On initial recognition, a financial asset is classified as measured at amortised cost. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost include trade and other receivables, receivables due from other financial institutions, and other financial assets at amortised cost.

Trade and other receivables are receivables from contracts with customers, contract assets, other accruals and clearing accounts. Contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date on customised software development. Contract assets are transferred to Trade Debtors when the rights become unconditional and this usually occurs when an invoice is issued to the customer.

Receivables from other financial institutions are amounts receivable from counterparties for the purposes of funding daily settlement.

Other financial assets at amortised cost are short term deposits and fixed term notes.

Subsequent measurement

Financial Assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the profit or loss. Any gain or loss on de-recognition is recognised in the profit or loss.

(c) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Notes To The Financial Statements

For The Year Ended 30 June 2024

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments. Refer to note 2(a).

(d) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line basis, (with the exception of motor vehicles which are depreciated using the diminishing value method) to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Assets	Years
Vehicles	3-6 years
IT Hardware and Software	2.5-5 years
Furniture, fittings and equipment	5-15 years

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

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

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the profit or loss. When revalued assets are sold, it is Company policy to transfer the amounts included in reserves in respect of those assets to retained earnings.

(e) Impairment of financial assets and contract assets

Expected credit losses (ECLs) are either measured over 12 months or the expected lifetime of the financial asset, depending on credit deterioration since origination. The Company's ECL is the product of credit risk factors such as probability of default, exposure at default, and loss given default. The credit risk factors are adjusted for current and forward-looking information using macro-economic variables. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls and discounted at the effective interest rate of the financial asset.

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of the assets. The amount of the expected credit loss is recognised in the profit or loss, within other expenses.

Notes To The Financial Statements

For The Year Ended 30 June 2024

Credit impaired assets

Financial assets are reviewed on an ongoing basis for collectability or credit impairment. An asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Asset write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. Subsequent recoveries of amounts previously written off are credited against other expenses in the profit or loss.

(f) Income tax

The income tax expense or revenue for the period is the tax payable or receivable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Leases

As a Lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost. This comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, any initial direct costs incurred, an estimate of costs to dismantle and remove the underlying asset or an estimate of costs to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Notes To The Financial Statements

For The Year Ended 30 June 2024

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate (note 19).

(h) Impairment of Assets

Goodwill has an indefinite useful life and is not subject to amortisation. It is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Refer to note 8 for information on the determination of the recoverable amount in relation to goodwill.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at a consolidated level, with Indue being treated as a single cash generating unit (CGU).

Climate Change Risk

Whilst the potential risks and related opportunities from climate change are considered as part of the Company's asset impairment review, based on what is currently known, Indue does not expect that this will have a significant impact on the Company's principal activities or financial position, particularly from an asset impairment standpoint.

(i) Employee benefits

Wages and salaries and annual leave

Short term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay these incentives as a result of past service provided by the employee and the obligation can be estimated reliably.

Long service leave

A liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using interest rates on national government guaranteed securities with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Notes To The Financial Statements

For The Year Ended 30 June 2024

Short term and long-term incentive payments

A liability for short term and long-term incentive payments is recognised in the provision for employee benefits for the amount expected to be paid if the Company has a present legal or constructive obligation to pay these incentives as a result of past service provided by the employee and the obligation can be estimated reliably.

(j) Revenue recognition

The Company recognises revenue when a customer obtains control of the goods or services.

Determining the timing of the transfer of control – at a point in time or over time – requires judgement. The Company's products and services have been assessed in detail and the following typical performance obligations and measurement methodologies were identified and have been used in the preparation of these financial statements.

Type of Performance Obligation	Revenue Category	Obligation Satisfied	Methodology
Licence Fees – Upfront Fee	Other Fee Income	Over Time	Output Method
Licence Fees – Monthly Fee	Other Fee Income	Over Time	N/A
Licence Fees – Transactional Fees	Other Fee Income	Over Time	N/A
Revenue for customised software development	Sales	Over Time	Input Method
Software Support Services – Upfront Fee	Other Fee Income	Over Time	Output Method
Software Support Services – Monthly Fee	Other Fee Income	Over Time	N/A

If it is determined that a contract does not exist, the Company will recognise any consideration received from the customer as a deposit (liability).

Revenue recognition for the major business activities is as follows:

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. The calculation of the effective interest rate includes all fixed costs and fees and payments paid or received that are an integral part of the effective interest rate.

Fee income

Fee income (excluding amounts that are integral to the effective interest rate) is recognised in the period in which the services are rendered (Output Method). Fee income includes licence fees and software support services fees. Licence and software support services fees are billed on a monthly basis.

Sales income

Contract revenue includes income generated for the development and / or implementation of payment software systems under specifically negotiated contracts with customers. The Company recognises contract revenue based on an assessment of the work performed against the individual component of the contracted statement of works at the reporting date (Input Method).

Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term.

Notes To The Financial Statements

For The Year Ended 30 June 2024

Contract balances

The timing of revenue recognition, billing and cash collection results in billed accounts receivable, unbilled receivables (contract assets), and customer advances (contract liabilities). Sales income or revenue for customised software development is billed as work in progress in accordance with agreed contractual terms either at periodic intervals or on achievement of contractual milestones.

(k) Cash and Cash equivalents

Cash and cash equivalents include cash on hand and deposits held at call with banks, net of outstanding bank overdrafts.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(n) Deposits and other financial liabilities

Deposits and other financial liabilities are initially recognised at fair value, net of transaction costs incurred. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit or Loss and Other Comprehensive Income using the effective interest method.

Deposits

Deposits are funds lodged by customers for the purposes of funding daily transaction settlement and as security deposits for providing cash security against settlement risk directly attributable to settlement activity undertaken by the Company on their behalf. Interest is brought to account on an accrual basis.

Payables to other financial institutions

Payables due to other financial institutions are amounts due to counterparties for the purposes of funding daily settlement for the various payment markets in which the Company participates. Refer to note 2. Interest is brought to account on an accrual basis.

(o) Provisions

Provisions are recognised when the Company has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Notes To The Financial Statements

For The Year Ended 30 June 2024

(p) Contributed equity

Ordinary shares are classified as share capital. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

(q) New accounting standards and interpretations

Changes in Material Accounting Policies

A number of new standards are effective for the annual period beginning 1 July 2023 and earlier application is permitted. The Company has not early adopted the new or amended standards in preparing these financial statements. These new or amended standards are not expected to have a material impact on the Company's financial statements.

(r) Critical accounting estimates and judgments

The Company makes estimates and assumptions concerning the future. The estimates and assumptions that may have a significant risk of causing material adjustments are in respect of Goodwill, Intangibles and Property, Plant and Equipment. For the details of these assumptions refer to note 8 in respect of Intangible Assets and note 9 for Property, Plant and Equipment.

(s) Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions is included in intangible assets. Goodwill is not amortised, however it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

IT development and software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include internal directly attributable costs and external direct costs of materials and services. Amortisation is calculated on a straight-line basis over periods generally between 5 and 7 years.

IT development costs include only those costs directly attributable to the program build and are recognised following completion of technical feasibility, where the Company has an intention and ability to use the asset and where the Company expects to derive future economic benefits.

Notes To The Financial Statements

For The Year Ended 30 June 2024

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Company with the right to access the cloud provider's application software over the contract period. As such, the Company does not receive a software intangible asset at the contract commencement date. A right to receive future access to the supplier's software does not, at the contract commencement date, give the customer the power to obtain the future economic benefits flowing from the software itself and to restrict others' access to those benefits.

The following outlines the accounting treatment of costs incurred in relation to SaaS arrangements:

Accounting Treatment	Type of Cost Incurred
Recognise as an operating expense over the term of the service contract	<ul style="list-style-type: none"> • Fee for use of application software • Customisation costs
Recognise as an operating expense as the service is received	<ul style="list-style-type: none"> • Configuration costs • Data conversion and migration costs • Testing costs • Training costs

Costs incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on premise systems and meets the definition of and recognition criteria for an intangible asset are recognised as intangible software assets.

(t) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case it is recognised as part of the cost of 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 ATO is included with other receivables or payables in the Statement of Financial Position.

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

Notes To The Financial Statements

For The Year Ended 30 June 2024

2. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk, liquidity risk, credit risk (principally settlement risk) and fair value estimation. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. Risk management is carried out in accordance with the Risk Appetite Statement (RAS) approved by the Board of Directors. The Company uses different methods to measure different types of risk to which it is exposed. The Board provides written principles for overall risk management, as well as written policies covering specific areas including liquidity management and large exposures which are reviewed annually.

(a) Accounting classifications and fair values

The Company discloses the fair value measurements by level using the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Company has not disclosed the fair values for financial instruments including cash and cash equivalents, trade receivables and other receivables, receivables due from other financial institutions, other financial assets at amortised cost, creditor and other liabilities, deposits, payables due to other financial institutions and borrowings as they are assumed to approximate their fair values due to their short-term nature. The fair values are considered to be Level 2.

There were no changes in the Company's approach to Financial Risk Management during the year.

(b) Market risk

Foreign exchange risk

Company policy restricts investments and transactions in foreign currencies to avoid exposure to exchange rate movements.

Interest rate risk

The Company's exposure to interest rate risk and the effective weighted average interest rate by maturity periods is set out in the following tables. The Company manages its interest rate risk by matching the investment portfolio to the terms of deposits held. Investment mismatches greater than 30 days are subject to the Chief Financial Officer's approval.

Exposures arise predominantly from assets bearing variable interest rates as the Company intends to hold fixed rate assets to maturity.

Notes To The Financial Statements

For The Year Ended 30 June 2024

		Fixed interest maturing in:					
Financial Assets	Notes	Floating Interest Rate \$'000	90 Days or less \$'000	90 Days to 1 Year \$'000	Over 1 to 5 Years \$'000	Non- interest Bearing \$'000	Total \$'000
At 30 June 2024							
Cash and cash equivalents	6	454,337	-	-	-	-	454,337
Receivables due from other financial institutions		342	-	-	-	4,204	4,546
Other financial assets at amortised cost	6	-	228,709	87,280	-	-	315,989
Trade & other receivables	7	1,094	-	-	-	18,047	19,141
		455,773	228,709	87,280	-	22,251	794,013
Weighted average interest rate		4.20%	4.74%	4.81%			

		Fixed interest maturing in:					
Financial Assets	Notes	Floating Interest Rate \$'000	90 Days or less \$'000	90 Days to 1 Year \$'000	Over 1 to 5 Years \$'000	Non- interest Bearing \$'000	Total \$'000
At 30 June 2023							
Cash and cash equivalents	6	380,895	-	-	-	-	380,895
Receivables due from other financial institutions		554	-	-	-	3,776	4,330
Other financial assets at amortised cost	6	-	248,127	61,271	-	-	309,398
Trade & other receivables	7	825	-	-	-	14,436	15,261
		382,274	248,127	61,271	-	18,212	709,884
Weighted average interest rate		2.86%	3.28%	3.67%			

Exposures arise predominantly from liabilities bearing variable interest rates as the Company intends to hold fixed rate liabilities to maturity.

Notes To The Financial Statements

For The Year Ended 30 June 2024

		Fixed interest maturing in:					
		Floating Interest Rate \$'000	90 Days or less \$'000	90 Days to 1 Year \$'000	Over 1 to 5 Years \$'000	Non- interest Bearing \$'000	Total \$'000
Financial Liabilities	Notes						
At 30 June 2024							
Payables due to other financial institutions		-	-	-	-	9,013	9,013
Settlement funds	12	573,576	-	-	-	-	573,576
Term deposits	12	-	99,969	67,311	-	-	167,280
Creditors and other liabilities	13	-	-	-	-	14,152	14,152
		573,576	99,969	67,311	-	23,165	764,021
Weighted average interest rate							
		3.04%	4.31%	4.47%			

		Fixed interest maturing in:					
Financial Liabilities	Notes	Floating Interest Rate \$'000	90 Days or less \$'000	90 Days to 1 Year \$'000	Over 1 to 5 Years \$'000	Non- interest Bearing \$'000	Total \$'000
At 30 June 2023							
Payables due to other financial institutions		-	-	-	-	7,331	7,331
Settlement funds	12	502,080	-	-	-	-	502,080
Term deposits	12	-	104,968	51,271	-	-	156,239
Creditors and other liabilities	13	-	-	-	-	13,803	13,803
		502,080	104,968	51,271	-	21,134	679,453
Weighted average interest rate							
		2.37%	2.82%	3.29%			

Notes To The Financial Statements

For The Year Ended 30 June 2024

Sensitivity Analysis

The table below describes the impact to the Statement of Profit or Loss and Other Comprehensive Income if interest rates had changed by +/- 100 basis points from the year-end rates with all other variables held constant.

Variable	Movement in Variable	2024 \$'000	2023 \$'000
Interest Income	+100 bp	7,317	6,617
	-100 bp	(7,317)	(6,617)
Interest Expense	+100 bp	6,996	6,151
	-100 bp	(6,996)	(6,151)
Net Interest Income	+100 bp	321	466
	-100 bp	(321)	(466)

This sensitivity analysis has been prepared using the underlying average monthly balance of financial assets and liabilities and modelling the impact of an interest rate movement on the resultant interest income and expense. This approach has been consistently applied each period.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions. The Company manages liquidity risk in accordance with the Liquidity and Large Exposure Policies set by the Board and agreed with APRA. The Company undertakes daily monitoring of cash flows. The Company substantially matches the maturity profiles of financial assets and liabilities and aims to ensure that a ready supply of liquidity is available as financial liabilities fall due. Funds are invested in line with requirements stipulated in the approved Board Policies.

To further mitigate liquidity risk, the Company's Large Exposure policy imposes concentration limits on the total amount of its liquid assets that can be held with a single counterparty. These limits vary depending upon the credit rating of the counterparty with the exception of the RBA (100% limit) and an APRA approved limit with Westpac Banking Corporation (WBC). Concentration limits are reviewed as part of the Large Exposure policy annual review process.

Settlement risk

As a provider of settlement services, the Company is exposed to liquidity risk associated with settlement. Settlement risk is defined as a potential loss arising in the event that clients will be unable to honour their settlement obligations arising from daily transactional activity, exposing the Company to potentially having insufficient liquidity to settle with the market on behalf of the clients of the Company. Settlement positions are modelled at a client level daily to ensure each client will have sufficient liquidity in their settlement account to meet their next day settlement obligations. In addition, cash security deposits are held by the Company from each client to act as security against any unforeseen, unfunded settlement positions and action plans are in place to ensure that timely action is taken to cease all settlement activity on behalf of a client, in the event that the client is unable to continue to fund its own settlement obligations.

Notes To The Financial Statements

For The Year Ended 30 June 2024

Financing arrangements

The Company's financing arrangements are limited to a single overdraft arrangement.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows including interest on the liabilities.

Financial Liabilities	90 Days or less \$'000	90 Days to 1 Year \$'000	Over 1 to 5 Years \$'000	Over 5 Years \$'000	Total \$'000
At 30 June 2024					
Payables due to other financial institutions	9,013	-	-	-	9,013
Settlement funds	573,576	-	-	-	573,576
Term deposits	99,969	67,311	-	-	167,280
Creditors and other liabilities	14,152	-	-	-	14,152
	696,710	67,311	-	-	764,021

Financial Liabilities	90 Days or less \$'000	90 Days to 1 Year \$'000	Over 1 to 5 Years \$'000	Over 5 Years \$'000	Total \$'000
At 30 June 2023					
Payables due to other financial institutions	7,331	-	-	-	7,331
Settlement funds	502,080	-	-	-	502,080
Term deposits	106,286	52,288	-	-	158,574
Creditors and other liabilities	12,478	-	-	-	12,478
	628,175	52,288	-	-	680,463

Notes To The Financial Statements

For The Year Ended 30 June 2024

(d) Credit risk

Credit risk arises predominantly from exposure to settlement risk, the risk of the Company completing financial settlement with the market on behalf of a client, where the client is unable to fund these settlement obligations back to the Company.

To mitigate credit risk associated with the specific function of settlement, the Board has set specific security policies that require minimum levels of security to be held, based on the relevant settlement stream they participate in. Security is held in the form of cash and/or bank guarantee issued by a Major Australian Bank.

Customer management of settlement account balances are regularly monitored by the Company's treasury team. The Company's risk management team undertakes stress testing of the settlement risk exposure on a monthly basis and reports its findings to the Board on a monthly basis.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as summarised in note 2 (b).

3. Revenue from Other Fee Income

	2024 \$'000	2023 \$'000
Revenue from continuing activities before income tax expense:		
Revenue from contracts with customers		
Transactional fee income	82,402	88,437
Sales income	7,490	8,070
Licence fee income	6,132	6,370
Sundry income	2,909	3,116
Total other fee income	98,933	105,993

Notes To The Financial Statements

For The Year Ended 30 June 2024

4. Income Tax Expense

	2024 \$'000	2023 \$'000
[a] Income tax expense		
Current tax	1,539	2,182
Deferred tax	(603)	(1,078)
	936	1,104
Income tax expense is attributable to:		
Profit from continuing operations	936	1,104
Aggregate income tax expense	936	1,104
Deferred tax revenue included in income tax expense comprises:		
Increase in deferred tax assets	(231)	(153)
Decrease in deferred tax liabilities	(372)	(924)
	(603)	(1,077)
[b] Numerical reconciliation of income tax expense to prima facie tax payable		
Profit from continuing operations before income tax expense	2,854	5,026
Tax at the Australian tax rate of 30% (2023 - 30%)	856	1,507
Capital gains on property sale	-	(480)
Tax effect of amounts which are not deductible in calculating taxable income:		
Sundry items	80	77
	936	1,104
Over provision in previous years	-	-
Income tax expense	936	1,104
[c] Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity		
Net deferred tax – debited (credited) directly to equity	-	(812)
	-	(812)

Notes To The Financial Statements

For The Year Ended 30 June 2024

Franking Account

Franking Credits available for subsequent years based on a tax rate of 30%.

	2024 \$'000	2023 \$'000
Franking Credits available for subsequent periods based on a tax rate of 30% (2023: 30%)	17,393	15,856

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:

- franking credits that will arise from the payment of the current tax liability;
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date;
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date; and
- franking credits that may be prevented from being distributed in subsequent financial years.

5. Remuneration Of Auditor

	2024 \$'000	2023 \$'000
Assurance services		
<i>Company auditor – KPMG Australia</i>		
Audit of financial statements under the <i>Corporations Act 2001</i>	201,500	192,100
Audit of regulatory returns	91,100	65,850
Total remuneration for audit services	292,600	257,950
Other advisory services		
<i>Company auditor – KPMG Australia</i>		
Risk advisory	7,620	7,500
Total remuneration for other advisory services	7,620	7,500

During the year the above fees were paid or payable for services provided by the auditor.

Notes To The Financial Statements

For The Year Ended 30 June 2024

6. Cash and Cash Equivalents And Investment Securities

Cash and cash equivalents	2024 \$'000	2023 \$'000
Bank Deposits – at call	404,827	331,385
Bank Deposits – 11am investments	49,510	49,510
	454,337	380,895

The deposits at call are bearing average interest rates of 4.20% for 2024 (2023: 2.86%).

The 11am investments are bearing average interest rates of 4.21% for 2024 (2023: 2.83%).

Other financial assets at amortised cost	2024 \$'000	2023 \$'000
Term deposits	55,707	55,803
Certificates of deposit	35,483	35,515
Client Security Deposits	134,480	146,873
Floating Rate Note (FRN)	90,319	71,207
	315,989	309,398

Notes To The Financial Statements

For The Year Ended 30 June 2024

7. Trade and Other Receivables

	2024 \$'000	2023 \$'000
Trade debtors – from contracts with customers	5,079	4,899
Contract asset	9,982	7,141
Other receivables	4,080	3,221
	19,141	15,261

This note should be read in conjunction with note 2.

The ageing analysis of trade debtors and contract assets that are past due but not impaired can be assessed by reference to the following table:

Financial Assets \$'000	Amount not past due	Less than 1 month	Between 1m – 3m	Between 3m – 6m	Over 6 months	Total
At 30 June 2024	14,341	352	14	354	-	15,061
At 30 June 2023	11,092	734	35	131	48	12,040

There were no individually impaired financial assets or contract assets at the reporting date, nor any financial assets or contract assets that would otherwise be past due or impaired whose terms have been renegotiated (2023: nil). There was no movement in the credit loss allowance during the year or amounts written off.

Notes To The Financial Statements

For The Year Ended 30 June 2024

8. Intangible Assets

	Goodwill \$'000	Capital Initiatives in Use \$'000	Capital Initiatives in Progress \$'000	Total \$'000
At 30 June 2023	4,061	13,287	3,585	20,933
Opening net book amount	-	-	4,639	4,639
Internally generated	-	3,335	(3,335)	-
Amortisations	-	(4,951)	-	(4,951)
Closing net book amount	4,061	11,671	4,889	20,621
At 30 June 2024				
Opening net book amount	4,061	11,671	4,889	20,621
Internally generated	-	-	3,851	3,851
Internally generated transfer to in use	-	5,626	(5,626)	-
Amortisations	-	(4,592)	-	(4,592)
Closing net book amount	4,061	12,705	3,114	19,880

(a) Goodwill

Goodwill relates to the acquisition of Lynx Financial Systems Pty Ltd (Lynx) whose operations have been fully integrated with the Company. The recoverable amount of goodwill (including customer contracts and software acquired) was determined based on fair value less cost of disposal calculations at acquisition date.

(b) Capital Initiatives

Other intangible assets are comprised of internally generated software including the Nucleus Card Management software, Orion Fraud software and the New Payments Platform (NPP) software assets.

The Nucleus Software which is being amortised over 7 years, the Orion software and the NPP software assets which are being amortised over 5 and 7 years respectively, are the core drivers of the Company's future growth strategy.

Notes To The Financial Statements

For The Year Ended 30 June 2024

(c) Impairment

Impairment testing for CGU's containing goodwill

For the purpose of impairment testing, goodwill has been allocated to the Company's single CGU

	2024 \$'000	2023 \$'000
Indue CGU	4,061	4,061

The recoverable amount of the CGU was based on the value in use, estimated using discounted cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used.

Intangible Assets are tested for impairment in accordance with note 1(h). The assumptions used in the value in use calculations, are set out below:

- the projected future cash flows in the Company's 5-year strategic plan;
- a terminal value calculated using the cash flows forecast to be generated in year 5 with a residual growth rate of 2.5% (2023: 2.5%);
- a post-tax discount rate of 10.50% (2023: 11.00%).

Budgeted EBITDA was estimated taking into account past experiences, adjusted as follows:

- Revenue growth was projected taking into account the average growth levels experienced over the past five years and the estimated sales volume and price growth for the next five years.

A recoverable value of the assets in excess of its carrying value is supported and therefore the assets are not impaired at the 30 June 2024 (2023: nil). There is sufficient headroom to absorb reasonable changes to the cash flows. Management has determined there are no reasonably possible changes that could occur in the key assumptions that would cause the carrying amount of the CGU to exceed its recoverable amount.

Notes To The Financial Statements

For The Year Ended 30 June 2024

9. Property, Plant And Equipment

	Cost or Valuation		Accumulated Depreciation		Written Down Value	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Leasehold Improvements	6,355	4,499	3,834	3,299	2,521	1,200
Right of Use Asset	12,048	12,155	8,738	7,897	3,310	4,258
Plant & Equipment at cost	20,067	18,900	18,397	17,460	1,670	1,440
Under construction at cost	248	494	-	-	248	494
	38,718	36,048	30,969	28,656	7,749	7,392

The value represented for buildings in the table above is attributed to the leasehold property at the Head Office at 88 Tribune Street, South Brisbane and the Sydney Office at 1 Denison Street, North Sydney.

Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year are set out below.

	Land \$'000	Buildings \$'000	Right of Use Asset \$'000	Plant & Equipment \$'000	Under construction \$'000	Total \$'000
Carrying amount at 30 June 2022	1,143	3,212	3,685	2,251	454	10,745
Transfer between asset classes	-	10	-	464	(474)	-
Additions	-	755	2,645	-	514	3,914
Disposals	(1,143)	(1,850)	-	61	-	(2,932)
Depreciation	-	(927)	(2,072)	(1,336)	-	(4,335)
Carrying amount at 30 June 2023	-	1,200	4,258	1,440	494	7,392
Transfer between asset classes	-	-	-	248	(248)	-
Additions	-	1,855	-	920	2	2,777
Disposals	-	-	-	-	-	-
Revalue increments	-	-	43	-	-	43
Depreciation	-	(534)	(991)	(938)	-	(2,463)
Carrying amount at 30 June 2024	-	2,521	3,310	1,670	248	7,749

Notes To The Financial Statements

For The Year Ended 30 June 2024

10. Net Deferred Tax Liability/Asset

	2024 \$'000	2023 \$'000
TAX ASSET		
The balance comprises temporary differences attributable to:		
Amounts recognised in Profit or Loss		
Employee benefits	1,867	1,694
Intangibles	262	-
Lease Liability	1,783	1612
Make Good	106	267
Other	296	510
	4,314	4,083
Movements:		
Opening balance at 1 July	4,083	3,930
Charged to the Statement of Profit or Loss and Other Comprehensive Income (note 4(a))	231	153
Closing balance at 30 June	4,314	4,083
Set-off of deferred tax liabilities pursuant to set-off provisions	(1,462)	(1,833)
NET DEFERRED TAX ASSET	2,852	2,250
TAX LIABILITY		
The balance comprises temporary differences attributable to:		
Amounts recognised in Profit or Loss		
Intangible Assets	-	435
Plant & Equipment	395	(169)
Right of Use	993	1,277
Make Good	67	87
Other	7	203
	1,462	1,833
Movements:		
Opening balance at 1 July	1,833	3,569
Charged to Statement of Profit or Loss and Other Comprehensive Income (note 4(a))	(372)	(924)
Charged to equity	-	(812)
Closing balance 30 June	1,462	1,833

Notes To The Financial Statements

For The Year Ended 30 June 2024

11. Other Assets

	2024 \$'000	2023 \$'000
Inventory - current	9	19
Prepayments – current	7,940	8,144
Contract costs – current	2,403	1,622
	10,352	9,785

12. Deposits

	2024 \$'000	2023 \$'000
Settlement funds – current	573,576	502,080
Term deposits – non-current	167,280	156,239
	740,856	658,319

13. Creditors And Other Liabilities

	2024 \$'000	2023 \$'000
Current		
Trade creditors	6,335	6,586
Lease liability	1,136	-
Contract liabilities	140	514
Accrued interest payable	1,729	1,325
Non-current		
Lease liability	4,812	5,378
	14,152	13,803

The contract liabilities primarily relate to advance consideration received from customers for which revenue is recognised over time when the related service is received by the customer. For the year ended 30 June 2024, the Company recognised as revenue \$41,827 included in contract liabilities (2023: \$733,107). No information is provided about remaining performance obligations at year end that have an original expected duration of one year or less, as allowed by AASB 15. There is no revenue recognised in the current year from performance obligations satisfied in previous periods.

Refer to note 19 for the terms and conditions of the related lease arrangements.

Notes To The Financial Statements

For The Year Ended 30 June 2024

14. Provisions

	2024 \$'000	2023 \$'000
Current		
Employee entitlements	4,884	4,679
Other	139	163
Non-current		
Employee entitlements	1,338	965
Make good	355	896
	6,716	6,703

(a) Employee entitlements

The current provision for employee entitlements includes accrued annual leave and long service leave. For long service leave it covers all unconditional entitlements where employees have completed the required period of service. For these employees, the entire amount of the provision is presented as current since the Company does not have an unconditional right to defer settlement for any of these obligations. Based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment of the current provision within the next 12 months. The non-current provision for long service leave covers all other employees where the required period of service has not yet been completed.

(b) Employee superannuation guarantee contributions

The superannuation guarantee contributions for year ended 30 June 2024 were \$3,043,406 (year ended 30 June 2023 \$2,635,471).

Notes To The Financial Statements

For The Year Ended 30 June 2024

15. Capital

Contributed Equity

	Shares		\$'000	
	2024	2023	2024	2023
Ordinary A Class Shares on issue	109,260	109,260	15,248	15,248
Ordinary B Class Shares on issue	14,751	14,751	1,743	1,743
	124,011	124,011	16,991	16,991

There were no issues of share capital during the financial year.

The Company's Issued Share Capital is \$16.991 million. All issued shares are fully paid.

The holders of ordinary A class shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The holders of ordinary B class shares are entitled to receive dividends as declared from time to time, however do not carry the right to vote. From time to time, under the constitution, the Directors may place shares into suspense, which precludes those shares from being eligible for a dividend. The Company's constitution requires that no individual shareholder has more than 15 percent voting rights of class A shares.

The holders of ordinary shares are entitled to participate in the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

Capital risk management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to maximise the beneficial use of available capital.

In order to maintain or adjust the capital structure, the Company may adjust the value of dividends paid to shareholders, return capital to shareholders, issue new capital instruments or change the composition of its investments.

APRA sets and monitors capital requirements under Prudential Standard APS 110 Capital Adequacy. Under the standard the Company must maintain minimum levels of Tier 1 capital and may also hold Tier 2 capital up to certain prescribed limits.

Tier 1 capital comprises the highest quality components of capital that must fully satisfy the following characteristics:

- Provide a permanent and unrestricted commitment of funds;
- Are freely available to absorb losses;
- Do not impose any unavoidable servicing charges against earnings; and
- Rank behind claims of depositors and creditors in the event of a winding up.

Tier 2 capital comprises capital instruments that to varying degrees, fall short of the quality of Tier 1 capital, but exhibit some of the features of equity, and contribute to the overall strength of the Company as a going concern.

Notes To The Financial Statements

For The Year Ended 30 June 2024

Capital in the Company is made up as follows:

	30 June 2024 (\$)	30 June 2023 (\$)
Tier 1 Capital		
Paid-up shares	16,990,560	16,990,560
Reserves	-	-
Retained Earnings, including Current Year Earnings	48,518,859	47,370,510
<i>Deductions from Tier 1 Capital</i>		
Total deductions (including goodwill, and investments)	(22,732,341)	(22,871,641)
Tier 2 Capital		
Total Tier 2 Capital (net of deductions)	-	-
Total Capital	42,777,078	41,489,429

The Company's Capital Adequacy Ratio at financial year ends are as follows:

	30 June 2024 (%)	30 June 2023 (%)
Capital Adequacy Ratio		
Tier 1 Capital Adequacy Ratio	15.54	17.75
Total Capital Adequacy Ratio	15.54	17.75

The following dividends were declared and paid by the Company for the year.

	2024 \$'000	2023 \$'000
Dividends		
Dividend paid 27 October 2023	770	-
Dividend paid 28 October 2022	-	1,045

Notes To The Financial Statements

For The Year Ended 30 June 2024

16. Related Party Information

The Company does not have significant restrictions on its ability to access or use its assets and settle its liabilities other than those resulting from the supervisory frameworks within which Authorised Deposit-taking Institutions operate.

Transactions with related parties are conducted on an arm's length basis.

Directors

The following persons were Directors of Indue Ltd during the financial year:

Chair – Non-executive	F Gullone
Non-executive Directors	P Townsend
	P Wright
	A De Fazio
	S Rix
	T Oldham
	B Fuller

Key management personnel

In addition to directors, the following persons had authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, during the financial year:

Name	Position
D Weatherley	Chief Executive Officer
A Buckley	Chief Financial Officer
J Hinton	General Counsel & Chief Risk Officer
R Spain	Chief Information Officer
F Perry	Chief Customer Officer
K Lugg	Chief Delivery Officer
N Cantero	Chief People and Culture Officer

Notes To The Financial Statements

For The Year Ended 30 June 2024

Key management personnel compensation

	2024 \$'000	2023 \$'000
Short-term employee benefits	3,096,139	3,028,415
Post-employment benefits	222,189	197,532
	3,318,328	3,225,947

There are no other benefits for key management personnel other than those disclosed above.

Notes To The Financial Statements

For The Year Ended 30 June 2024

17. Cash Flow Information

	2024 \$'000	2023 \$'000
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the Statement of Financial Position as follows:		
Cash and cash equivalents	454,337	380,895
	454,337	380,895
Reconciliation of net cash flows from operating activities to operating profit after income tax		
Operating profit after income tax	1,918	3,922
Depreciation and amortisation	7,054	9,108
(Increase)/Decrease in receivables due from other financial institutions	(216)	2,245
Increase in trade and other receivables	(3,880)	(538)
(Increase)/Decrease in other financial assets at amortised cost	(6,591)	13,792
Increase in other assets	(568)	(5,840)
Decrease in current tax payable	(1,417)	(3,883)
Increase in payables due to other financial institutions	1,681	1,606
Increase in deposits	82,538	86,371
Increase/(decrease) in creditors and other liabilities	318	(306)
(Decrease)/increase in provisions	(547)	897
Increase in ROU interest	294	119
Net cash flows from operating activities	80,584	107,493

18. Contingent Liabilities

Indue maintains the following arrangements with banks:

- Guarantees of \$5,699,444 secured by term deposits for leased properties and Government projects;
- Daily settlement facility limits of \$91,601,000 secured by corresponding client deposits.

Apart from the above there are no present obligations that have arisen from past events which have not been recognised, nor are there possible obligations arising by the occurrence or non-occurrence of one or more uncertain future events, not wholly within the control of the entity.

Notes To The Financial Statements

For The Year Ended 30 June 2024

19. Lease Commitments

Company as lessee

The Company leases office premises which typically run for a period of 5-7 years, with an option to renew the lease after that date. The Company also leases office equipment with a contract term of 5 years.

Information about leases for which the Company is a lessee is below:

Right of use asset	Building \$'000	Equipment \$'000	Total \$'000
Balance at 1 July 2023	4230	28	4,258
Transfer	(55)	55	-
Revalue increments	43	-	43
Depreciation charge for the year	(969)	(22)	(991)
Balance at 30 June 2024	3,249	61	3,310

Amounts recognised in profit or loss	2024 \$'000	2023 \$'000
Leases under AASB 16		
Interest on lease liabilities	294	110
Short term and/or low value leases	2	2

Amounts recognised in cash flow	2024 \$'000	2023 \$'000
Total cash outlay for leases	1,474	2,005
Total incentive received	(1,727)	-

Consolidated Entity Disclosure Statement

For The Year Ended 30 June 2024

Indue Ltd is not required by Australian Accounting Standards (AAS) to prepare consolidated financial statements and as a result sub-section 295(3A)(a) of the Corporations Act 2001 to prepare a Consolidated Entity Disclosure Statement does not apply to the Company.

Directors' Declaration

In the opinion of the directors of Indue Ltd ('the Company'):

- (a) the Company financial statements and notes set out on pages 31 to 65 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards and the Corporations Regulations 2001; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its performance, for the financial year ended on that date; and
- (b) the Consolidated entity disclosure statement as at 30 June 2024 set out on page 66 is true and correct; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors draw attention to note 1(a) to the financial statements, which include a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



F Gullone
Chair, Board



A De Fazio
Deputy Chair, Board

Brisbane
30 August 2024



Independent Auditor's Report

To the shareholders of Indue Limited

Opinion

We have audited the **Financial Report** of Indue Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The **Financial Report** comprises:

- Statement of financial position as at 30 June 2024
- Statement of profit or loss and other comprehensive income, Statement of changes in equity, and Statement of cash flows for the year then ended
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2024
- Notes, including material accounting policies
- Directors' Declaration.

Basis for opinion

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

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

We are independent of the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and that is free from material misstatement, whether due to fraud or error
- assessing the Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- 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. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial 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:

http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf This description forms part of our Auditor's Report.

KPMG

Ben Flaherty
Partner

Brisbane
30 August 2024



indue

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