EQUITY STORY GROUP

Equity Story Group Ltd

ABN 84 653 383 478

and Controlled Entities

Annual Report
30 June 2023

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The Company's Corporate Governance Statement can be found at https://equitystory.com.au/corporate-governance/

This financial report was authorised for issue by the Board of Directors on 30 August 2023.

DIRECTORS' REPORT

The Directors present their report together with the consolidated financial report of Equity Story Group Ltd ("the Company") and its controlled entities (together referred to as "the Group" or "Equity Story") for the financial year ended 30 June 2023.

Directors

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

Ben Loiterton	Non-Executive Chairman
David Tildesley	Executive Director
Mark Goes	Executive Director
Trent McGraw	Executive Director (resigned 2 January 2023)

Directors have been in office since their date of appointment. The particulars of the qualifications, experience and independence status of each Director as at the date of this report are set out below in this report. Elissa Hansen has been the Company Secretary since 3 September 2021 to the date of this report.

Principal Activities

The principal activities of the Group during the financial year continue to be stock market trading advice, research, investor education and funds management. There were no significant changes in the nature of the Group's principal activities during the financial year.

Operating results

The net profit from continuing operations of the Group attributable to owners of the Group after providing for income tax amounted to a loss of $2,565,934 (2022: loss of $1,979,444).

Review of Operations

Equity Story's Board and team have worked tirelessly in our first full year as an ASX listed company. This has included constant efforts to implement strategies for growth of the core business in the stock market content, education and platform services marketplace, and also to pursuing more substantial opportunities via acquisition in the broader financial services market.

The Company's core Equity Story branded business strives to empower investors by offering premium equities market general advice, podcast content, education seminars and data. Despite a substantial investment in marketing and direct and indirect sales efforts, this has been a difficult market space for many providers of paid stock market commentary due to the headwinds of a lacklustre equity market generally over the period. Accordingly the deep investment in growth and marketing activities undertaken since the IPO in May 2022 was not off-set by expected growth in income.

Notwithstanding these conditions the Company has maintained revenues for the core business, has improved the quality of content and education services, and has streamlined sales and marketing operations to efficiently grow the core business and subscriber base in the period ahead. The range and depth of investment market content has been improved by adding new podcasts and written media and engaging additional talented market commentators.

The Company also launched financial market investment services, via subsidiary Equity Story Securities in August 2022, to distribute investment opportunities to a growing group of wholesale investor subscribers, and this new business has had pleasing progress (also in a difficult market for primary raisings) with $6.396 million raised across 12 equity and convertible placement deals to date presented to our "Gold List" wholesale investor group.

DIRECTORS' REPORT (CONTINUED)

Review of Operations (continued)

Recognising the general equity market conditions for the core subscriptions business have not been favourable, the Board and team have worked diligently since the departure of the former CEO to identify opportunities within the business to streamline costs, including renegotiating existing contracts with external services providers, restructuring staffing and remuneration, and reducing operational costs where possible. The result of this is a substantial decrease in operational overhead, which is expected to drop further by 31 December 2023 as additional services contracts come to an end, and further operating cost reductions are implemented.

This review and restructuring of costs has been undertaken in a manner that does not adversely affect the deliverability of services to clients, while the introduction of new membership levels has seen an increase in overall subscriber numbers.

In addition to the streamlining of expenses and the expected continuation of group revenue growth plans, the Company expects to be self-sustaining by the end of Q2 FY24, with new growth initiatives including:

- Launching the Cincinnati Trading Method ("CTM") investor education seminar series worldwide through a new partnership with a proven provider of educational service sales on a performance-only basis.
- Increasing the core subscriber business through a new content-based marketing approach along with potential partnerships in corporate arenas.
- Growing the new Securities division through cross pollination with financial planning practices and strategic partnerships with distribution platforms and expanding on already strong relationships with the corporate finance network.
- The planned acquisition of profitable boutique financial planning and wealth management practices with some funds already partly raised via a Bond Issue, and expected additional funds from Tranche 2 Bond Issues currently in progress.
- Ongoing conversations with stockbroking corporate advisory and capital raising firms to help align the Company with its larger goals moving forward.

Other activities for the year include the successful performance of the Equity Story Growth Fund, which despite the difficulty of the current climate, has achieved a NAV return of 4.85% over the FY23 reporting period leaving us well positioned to accept more funds under management moving forward.

A key strategy to grow the group is the proposed acquisition of boutique financial services businesses. Since January 2023 the Group has pursued extensive negotiations with a range of independent financial planning and wealth management firms. This plan was set out in detail in the Mid-Year Shareholder Update on 20 July 2023. This M&A process is ongoing and the Company expects to make announcements in respect of transactions in due course.

Equity Story Group's key strategic focus for the period ahead continues to include:

- Growing the core subscriber base for Equity Story, A Rich Life and Cincinnati Trading System membership revenues by expanded direct sales, advertising and marketing efforts;
- Continued efforts to grow revenues from ancillary services including corporate finance fees; and
- Undertaking selected acquisitions of and partnerships with financial planning and wealth advice firms.

Equity Story's Board and team remain confident about the planned growth pathway and its objective to restore the Group's cash flows by providing high-quality stock market content, education and wealth management services.

DIRECTORS' REPORT (CONTINUED)

Financial position

The net assets of the consolidated Group have decreased to $966,957 as at 30 June 2023 (2022: $3,383,891). The Directors believe that the Group is in a strong and stable financial position to expand and grow its current operations.

Use of Funds

The Group used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.

Significant changes and state of affairs

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

Events subsequent to balance date

On 1 August 2023, bond funding raise of $1,030,000 via issue of 103 bonds to sophisticated investors. This issue is the first tranche of Bonds to be issued in this initial series. The Bond Offer remains open and the Company is in discussions with additional investors. Each Bond has a face value of $10,000 each, bears interest at a rate of 10% per annum, paid semi-annually at 5% every six months, and mature five years from issue. The issue also involved 5,000 free-attaching, unlisted options with an exercise price of $0.10 and expiring three years from issue for each Bond for a total of 515,000 options.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years;

(b) the results of those operations in future financial years;

(c) the Group's state of affairs in future financial years.

Future developments, prospects and business strategies

The Group is unaware of any factors which are likely to affect results in the future other than those mentioned in the Review of Operations.

Dividends paid or recommended

No dividends were paid or declared for payment during the financial year or since the end of the financial year.

Environmental Regulation

The Group's operations are not significantly affected by environmental regulations.

DIRECTORS' REPORT (CONTINUED)

Digital disruption, cyber security and breach of privacy

Equity Story Group engages a number of different systems and practices to combat the risk of cyber-security breaches including:

- use of secured platforms and systems for all financial transactions and client records. All financial data is encrypted and secured by the MFA systems of these world-class merchant facilities and CRM providers.
- equipping our people with the knowledge and skills to combat cyber threats, including requiring strong passwords on company accounts, safe collection of client data and access levels on platforms being tailored to their exact job needs, rather than having 'cookie cutter' access for all employees and assigns.
- active monitoring of our network and computer systems from our external IT security provider.

Information on the Directors

Ben Loiterton (B. Com (Fin), LLB)

Non-Executive Chairman

Ben has nearly 30 years' experience in investment banking, corporate advisory, business management and entrepreneurial activity. He is an experienced public company director having served on five ASX-listed company boards and various private company boards and advisory boards. Ben has extensive experience with driving IPOs, equity capital raising transactions, corporate finance, mergers & acquisitions, commercial strategy, financial management and capital structuring. He has direct experience in a wide array of sectors including software technology, IT services, financial services, ecommerce, telecoms, media, and both new economy business models and traditional businesses. He has co-founded several start-up businesses and arranged equity funding across the full spectrum from seed capital to private equity transactions. Ben is currently Chairman of Simble Solutions Limited (ASX:SIS). The Board considers that Ben is an independent Director.

Ben holds 1,000,000 ordinary shares and 1,500,000 Options in Equity Story Group Ltd.

David Tildesley (BA, & BSc)

Executive Director

David has over 20 years' business and executive experience.

David co-founded Equity Story in 2007. David has been the lead technical equities analyst of Equity Story since 2010. David holds a Degree in History and Sociology, a diploma in Financial Markets through the Securities Institute of Australia and maintains RG146 accreditations. The Board considers that David is not an independent Director.

David holds 28,563,001 ordinary shares and 1,500,000 Options in Equity Story Group Ltd.

Mark Goes (Dip. Financial Markets)

Executive Director

Mark has over 20 years' experience in financial markets, most recently as a senior securities advisor. Mark co-founded Equity Story in 2007. He is currently the head of AFSL Compliance at Equity Story. Mark previously held positions as an investment advisor at Morgans Financial, RBS Morgans and HSBC James Capel Australia. Mark has extensive experience in domestic and international equity markets, equity derivatives, initial public offerings, unlisted and greenfield capital raising, private placements, institutional and retail equity operations, estate administration, insurance and superannuation investment advice. Mark holds a diploma in Financial Markets through the Securities Institute of Australia and has achieved accreditations as follows: Superannuation, Insurance and Derivatives (ADA2) and is RG146 compliant. He is currently a member of the Stockbrokers and Financial Advisers Association (SAFAA) and a registered member of the Tax Practitioners Board (TPB). The Board considers that Mark is not an independent Director.

Mark holds 10,897,000 ordinary shares and 1,500,000 Options in Equity Story Group Ltd.

DIRECTORS' REPORT (CONTINUED)

Information on the Directors (Continued)

Trent McGraw (resigned 2 January 2023)
Director
Trent has over 15 years' executive experience. In 2020, Trent co-founded Equity Story Fund, being the fund manager of the Equity Story Growth Fund, which primarily makes investments in both domestic and international equities. Prior to his directorship roles in Equity Story Fund and Equity Story, Trent founded EC Group, a family office venture and seed capital investment company in 2014. His previous experience also includes a directorship role in Fifo Capital Australia Pty Ltd, a business financing company.
Trent held 11,256,000 ordinary shares and 1,500,000 Options in Equity Story Group Ltd on resignation from the Company.

Any directorships in other ASX listed entities, either current or in the past three years prior to 30 June 2023 are shown above.

Meetings of Directors
During the financial year, 4 Board meetings were held. No Audit and Risk Committee meetings were held and the full Board of Directors took responsibility for all matters that might have been addressed by the Committee.
Attendances by each director during the year were as follows:

Directors	**Board Meetings**		**Audit & Risk Committee Meetings**	
	Number eligible to attend	Attended	Number eligible to attend	Attended
Ben Loiterton	11	11	2	2
Trent McGraw[1]	5	5	-	-
David Tildesley	11	11	2	2
Mark Goes	11	11	2	2

[1]. Resigned 2 January 2023

Indemnifying Officers or Auditors
The Company has, during the financial year, agreed to indemnify officers of the Group or any related body against a liability incurred by such an officer.

No indemnity has been granted to the auditors of the Group.

Options
No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

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

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

DIRECTORS' REPORT (CONTINUED)

Non-audit Services

There were no non-audit services provided during the year to the Group by MNSA Pty Ltd or any related practices or related audit firms.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2023 has been received and a copy can be viewed on page 10 of the Annual Report.

Rounding of Amounts

The Company is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports). Instrument 2016/191 issued by the Australian Securities and Investments Commission ("ASIC") relating to the "rounding off" of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off in accordance with that ASIC Instrument to the nearest thousand dollars, unless otherwise indicated.

DIRECTORS' REPORT (CONTINUED)

REMUNERATION REPORT (Audited)

This report outlines the remuneration arrangements in place for each director of Equity Story Group Ltd and other key management personnel ("KMP").

(1) Remuneration philosophy

The performance of Equity Story Group Ltd depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives.

To this end, Equity Story Group Ltd embodies the following principles in its remuneration framework:

- provide competitive rewards to attract high calibre executives;
- link executive rewards to shareholder value;
- establish appropriate, demanding performance hurdles in relation to variable executive remuneration.

While Equity Story Group Ltd does not have a remuneration committee, the Board of directors is responsible for determining and reviewing compensation arrangements for the directors, and the senior management team.

Remuneration structure

In accordance with best practice corporate governance, the structure of non-executive director and senior management remuneration is separate and distinct.

Non-executive director remuneration

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability.

Senior executives and executive director remuneration

Objective

Equity Story Group Ltd aims to reward executives with a level and mix of remuneration which is commensurate with their position, their responsibilities within the Group, their length of service and the overall performance of the Group, and so as to:

- reward executives for Group and individual performance against targets set by reference to appropriate benchmarks;
- align the interests of executives with those of shareholders;
- link rewards with the strategic goals and performance of the Group; and
- ensure that total remuneration is competitive by market standards.

Structure

Details of contracts with Directors and senior executives are shown below.

Remuneration for senior managers and the executive director consist of the following key elements:

- fixed remuneration;
- variable remuneration, being short and long term incentives.

Fixed Remuneration

Fixed remuneration is reviewed regularly. Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicle leases. The fixed remuneration component for directors and key management personnel is detailed below.

Variable Remuneration

The objectives of the short and long term incentive plans are:

- to link the achievement of the Group's operational targets with the remuneration received by the executives charged with meeting those targets; and
- to reward directors and senior executives in a manner which aligns this element of remuneration with the creation of shareholder wealth.

DIRECTORS' REPORT (CONTINUED)

(2) Employment contracts for director and senior executives

The employment conditions of the Chief Executive Officer and Executive Director, David Tildesley, and other specified executives are formalised in contracts of employment. All executives are permanent employees of Equity Story Group Ltd or its controlled entities.

Under the terms of the present employment contracts, which have no fixed term, the executives may resign from their positions and thus terminate their contracts by giving one month's written notice. The Company may terminate these employment agreements by providing one to three month's written notice or by payment in lieu of the notice period based on the executive's fixed component of remuneration. There are no other termination payments included in the contracts. Termination payments are generally not payable on resignation or dismissal for serious misconduct. In the instance of serious misconduct, the Company can terminate employment at any time.

(3) Remuneration of Key Management Personnel and Other Executives

The key management personnel of the Group and the specified executives of the Company and the Group are also executive directors of the Company as set out in the table below.

		Short-Term Benefits $			**Post Employment Benefits $**	**Long-Term Benefits $**			**Total $**
		Salary and fees	Bonus	Term-ination	Super-annuation	Long service leave	Options	Shares	
Non-Executive Directors									
Ben Loiterton	**2023**	**127,797**	**-**	**-**	**-**	**-**	**-**	**-**	**127,797**
	2022	52,433	-	-	-	-	45,000	100,000	197,433
Executive Directors/ Key Executives									
David Tildesley	**2023**	**336,122**	**-**	**-**	**34,768**	**-**		**-**	**370,890**
	2022	252,280	5,769	-	25,805	-	45,000	-	328,854
Mark Goes (commenced 1 March 2021)	**2023**	**112,805**	**-**	**-**	**11,845**	**-**	**-**	**-**	**124,650**
	2022	57,208	-	-	5,721	-	45,000	-	107,929
Trent McGraw	**2023**	**221,557**	**-**	**-**	**15,723**	**-**	**-**	**-**	**237,280**
	2022	187,490	-	-	18,749	-	45,000	-	251,239
Total Executive Directors	**2023**	**670,484**	**-**	**-**	**62,336**	**-**	**-**	**-**	**732,820**
	2022	496,978	5,769	-	50,275	-	135,000	-	688,022

The positions held by key management personnel are disclosed in Note 6 to the financial statements.

Relative proportion of remuneration linked to performance

	2023	**2022**
Trent McGraw	0%	0%
David Tildesley	0%	2%
Mark Goes	0%	0%

DIRECTORS' REPORT (CONTINUED)

KMP equity movements

	Instrument	Opening Balance	Granted as part of Remuneration	Additions (No.)	Disposals (No.)	Balance at End of Reporting Period
Non-Executive Directors						
Ben Loiterton	Shares	1,000,000		-	-	1,000,000
	Options	1,500,000	-	-	-	1,500,000
Executives						
Trent McGraw[1]	Shares	11,256,000	-		-	-
	Options	1,500,000	-	-	-	-
David Tildesley	Shares	28,563,001	-		-	28,563,001
	Options	1,500,000	-	-	-	1,500,000
Mark Goes	Shares	10,897,000	-		-	10,897,000
	Options	1,500,000	-	-	-	1,500,000

[1]. Resigned 2 January 2023

(4) Changes in Directors and Executives Subsequent to Year End

There has been no change in directors or executives subsequent to year end.

(5) Options and Rights Granted and Exercised

During the financial year ended 30 June 2023 there were 1,400,000 options exercisable at $0.15 and expiring 13 December 2026 issued and 4,500,000 (conditional vesting) options exercisable at $0.05 and expiring 15 March 2027 issued under the Company's Employee Incentive Options and Performance Rights Plan.

This Directors' Report, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

Ben Loiterton
Chairman
30 August 2023

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF EQUITY STORY GROUP LIMITED AND CONTROLLED ENTITIES ABN 84 653 383 478

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Equity Story Group Limited.

As the auditor for the audit of the financial report of Equity Story Group Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

i. the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

ii. any applicable code of professional conduct in relation to the audit.

MNSA PTY LTD

MNSA Pty Ltd

Mark Schiliro
Director

Sydney
Dated this 30th of August 2023

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INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF
EQUITY STORY GROUP LIMITED AND CONTROLLED ENTITIES
ABN 84 653 383 478

Report on the Financial Report

Opinion

We have audited the financial report of Equity Story Group Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

The financial report also complies with the International Financial Reporting Standards as disclosed in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of Matter on Going Concern

We draw your attention to Note 1(w) on going concern in the financial report, which indicates that the Group incurred an operating loss after tax from continuing operations $2,565,934 (2022: $1,979,444), and net cash outflow from operating activities of $2,102,095 (2022: $1,018,103) during the year ended 30 June 2023 and, as of that date, the Group's net assets of $966,957 (2022: $3,383,891). These events and conditions, along with other matters set forth in Note 1(w), indicate that a material uncertainty exists that may cast doubt of the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the year ended 30 June 2023. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Revenue Recognition Revenue represents a material balance and we have identified the following types of transactions and assertions related to revenue recognition which give rise to key risks: • the completeness of revenue recorded as a result of the reliance on output of the subscription system. *Subscription income* Subscription revenue for agreements are recognised on a straight line basis over the term of the subscription period. *Fund manager fees* Fund manager fees are recognised over the period in which the services are rendered. *Interest* Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset. *Other revenue* Other revenue is recognised when it is received or when the right to receive payment is established.	In responding to this area of focus, our audit approach included controls testing and substantive procedures covering, in particular: • testing control procedures in place around systems that bill revenue streams; • performing tests on the accuracy of customer bill generation on a sample basis and testing of a sample of the credits and discounts applied to enterprise customer bills; • testing cash receipts for a sample of customers back to the customer invoice; • testing the costs associated to the delivery of sales; • considering COVID-19 impacts to collection of trade receivables; and • considered the application of the Group's accounting policies to amounts billed.

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Key Audit Matters (continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Going Concern	
Following operating losses, there is a heightened degree of judgement as to the Group's ability to continue as a going concern through the assessment period. Accordingly, we considered the appropriateness of the going concern assumption, the question as to whether there is a material uncertainty and the adequacy of management's disclosure to be a key risk.	We have challenged the key assumptions in management's forecast cash flows for the next 12 months (base case and downside possibilities) by: • Comparing the cash flow forecasts with the Board approved budget, and obtaining explanations for any significant differences; • Ensuring consistency between the forecasts in the Group going concern model and those used in the asset value-in-use calculations for impairment assessment purposes; • Assessing the historical accuracy of forecasts prepared by management; • Testing the mechanical accuracy of the model used; • Performing stress tests for a range of reasonably possible scenarios on management's cash flow for the going concern period; • Challenging management's plans for mitigating any identified exposures, obtain additional sources of financing; and • Considering whether the disclosures relating to going concern referred to in the basis of preparation section of the accounting policies are balanced, proportionate and clear.
Acquisition of Blue Tree Equity Pty Ltd	
During the period, the Group acquired a 100% interest in Blue Tree Equity Pty Ltd. The acquisition included total consideration of $500,000 payable in instalments. There was an upfront payment of $250,000 made on 1 July 2022; and additional payments of $150,000 are due on 1 July 2023 and $100,000 due on 1 July 2024. After recognising net liabilities of $1,960, Goodwill of $501,960 has been recognised.	We evaluated the accounting treatment applied to the acquisition in accordance with documentation provided in support. This included: • Analysing purchase price allocation of assets and liabilities acquired; • Evaluated the existence of assets and liabilities acquired; and • Assessing disclosures made within the annual financial report.

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Key Audit Matters (continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Capitalisation and Impairment of Goodwill During the year, the Group capitalised goodwill costs of \$501,960 as detailed in Note 2 to the financial statements. The carrying value as at 30 June 2023 was \$1,037,335. The management have reviewed and assessed the goodwill and determined there will be no impairment for the year ended 30 June 2023.	We evaluated the appropriateness of capitalisation policies, performed substantive tests on amounts capitalised and assessed impairment assumptions. In performing these procedures, we considered the judgements made by management including: • Assessing the nature of underlying payments capitalised as goodwill; • Considering the appropriateness of the directors' assessment for indicators of impairment; • Assessed and analysed forecasts provided in support of carrying value of goodwill; and • Compared book value of group assets in comparison to current market value of the Group.

There were no restrictions on our reporting of Key Audit Matters.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

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

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

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Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of Equity Story Group Limited for the year ended 30 June 2023 complies with s 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

MNSA PTY LTD

MNSA Pty Ltd

Mark Schiliro
Director

Sydney
Dated this 30th of August 2023

MNSA Pty Ltd
ABN 59 133 605 400

Level 1, 283 George St
Sydney NSW 2000
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Tel (02) 9299 0901
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Directors' Declaration

1. In the Directors' opinion:

   (a) the financial statements and notes set out on pages 18 to 41 are in accordance with the *Corporations Act 2001*, including:

      (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

      (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

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

2. The notes to the financial statements include a statement of compliance with International Financial Reporting Standards.

3. The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer for the year ended 30 June 2023 required by section 295A of the *Corporations Act 2001*.

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

Ben Loiterton
Chairman
30 August 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR END 30 JUNE 2023

	Note	2023 $	2022 $
Continuing operations			
Revenue from services	3	1,053,636	822,216
Other Income	3	75,978	74,948
Total revenue and other income		1,129,614	897,164
Expenses			
Advertising and marketing expense		632,154	371,056
Consulting fee		392,315	77,307
Depreciation and amortisation expense		-	13,404
Employee benefits expense		1,512,017	1,520,037
Finance costs		9,191	3,796
Impairment of investments	14	-	123,202
Other expenses	4	1,149,871	767,806
Total expenses		3,695,548	2,876,608
Loss before income tax		(2,565,934)	(1,979,444)
Income tax benefit	5	-	-
Net loss after tax		**(2,565,934)**	**(1,979,444)**
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive loss for the year		**(2,565,934)**	**(1,979,444)**
Loss for the year is attributable to:			
Non-controlling interests		-	-
Owners of Equity Story Group Ltd		**(2,565,934)**	**(1,979,444)**
		(2,565,934)	**(1,979,444)**
Total comprehensive loss for the year is attributable to:			
Non-controlling interests		-	-
Owners of Equity Story Group Ltd		**(2,565,934)**	**(1,979,444)**
		(2,565,934)	**(1,979,444)**

Earnings per share for loss from continuing operations attributable to the ordinary equity holders of Equity Story Group Ltd

Basic earnings per share (cents per share)	8	(0.02)	(0.03)
Diluted earnings per share (cents per share)	8	(0.02)	(0.03)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

		Consolidated Group	
		30 June 2023	30 June 2022
	Note	$	$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	9	1,223,549	3,599,799
Other assets	10	55,577	36,920
TOTAL CURRENT ASSSETS		**1,279,126**	**3,636,719**
NON-CURRENT ASSETS			
Right-of-use-assets	11	174,724	248,288
Goodwill and intangible assets	13	1,037,335	535,375
Investments	14	26,798	26,798
Other assets	10	32,835	47,918
TOTAL NON-CURRENT ASSSETS		**1,271,692**	**858,379**
TOTAL ASSETS		**2,550,818**	**4,495,098**
CURRENT LIABILITIES			
Trade and other payables	15	349,201	183,531
Contract liabilities	16	317,362	294,464
Lease liabilities	17	87,775	60,883
Other liabilities	18	240,671	183,494
TOTAL CURRENT LIABILITIES		**995,009**	**722,372**
NON-CURRENT LIABILITIES			
Trade and other payables	15	100,000	-
Borrowings	19	200,946	-
Contract liabilities	16	200,957	194,336
Lease liabilities	17	86,949	194,499
TOTAL NON-CURRENT LIABILITIES		**588,852**	**388,835**
TOTAL LIABILITIES		**1,583,861**	**1,111,207**
NET ASSETS		**966,957**	**3,383,891**
EQUITY			
Issued capital	20	5,227,628	5,227,628
Option reserve	21	742,000	593,000
Accumulated losses		(5,002,671)	(2,436,737)
Equity attributable to owners of Equity Story Group Ltd		**966,957**	**3,383,891**
Non-controlling interests		-	-
TOTAL EQUITY		**966,957**	**3,383,891**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Issued Capital	Retained profits / (accumulated Losses)	Option Reserve	Total Equity
	$	$	$	$
Consolidated				
Balance at 1 July 2021	940,399	(457,293)	-	483,106
Loss for the period	-	(1,979,444)	-	(1,979,444)
Shares issued during the year	5,341,011	-	-	5,341,011
Cost of capital raising	(1,053,782)	-	-	(1,053,782)
Options issued during the period	-	-	593,000	593,000
Balance at 30 June 2022	5,227,628	(2,436,737)	593,000	3,383,891
Balance at 1 July 2022	5,227,628	(2,436,737)	593,000	3,383,891
Loss for the period	-	(2,565,934)	-	(2,565,934)
Options issued during the period	-	-	149,000	149,000
Balance at 30 June 2023	5,227,628	(5,002,671)	742,000	966,957

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		1,180,935	1,030,244
Payments to suppliers and employees		(3,295,978)	(2,035,601)
Interest received		22,139	8
Finance costs		(9,191)	(1,511)
Income tax paid		-	(11,243)
Net cash used in operating activities	24	(2,102,095)	(1,018,103)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for acquisition of investment		(251,960)	-
Payment to acquire other non-current assets		(572)	(41,044)
Other		8,209	(107,853)
Net cash used in investing activities		(244,323)	(148,897)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net proceeds from issued capital		(140,282)	4,469,758
Proceeds from / (repayment to) borrowings		200,000	67,693
Lease payments		(89,550)	-
Net cash (used in) / from financing activities		(29,832)	4,537,451
Net (decrease) / increase in cash held		(2,376,250)	3,370,451
Cash at beginning of period		3,599,799	229,348
Cash at end of period	9	1,223,549	3,599,799

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

This financial report includes the consolidated financial statements of Equity Story Group Ltd ('the Company') and controlled entities (collectively the 'Group' or 'consolidated entity').

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions.

The financial statements also comply with International Financial Reporting Standards.

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

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

(a) Principles of Consolidation

Subsidiaries

A controlled entity is an entity that is controlled by Equity Story Group Ltd. Equity Story Group Ltd controls a company when it is exposed, or has rights, to variable returns from its involvement with the company and has the ability to affect those returns through its power over the company. The acquisition method of accounting is used to account for business combinations by the Group (Note 1(r)).

A list of controlled entities is contained in Note 12 to the financial statements.

The assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year.

All balances and transactions between entities in the consolidated Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

(b) Income Tax

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

Current income tax expense (credit) charged to profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantively enacted, as at the reporting date. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (credit) are charged or credited directly to equity instead of profit or loss when the tax relates to items that are charged or credited directly to equity.

Deferred tax assets and liabilities are based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and unused tax losses. Deferred tax assets also result where amounts have been expensed but future tax deductions are available. No deferred income tax is recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Income Tax (continued)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

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

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

(c) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less accumulated depreciation and impairment losses.

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation

The depreciable amount of all plant and equipment including capitalised lease assets, is depreciated on a straight-line or diminishing value basis over the asset's useful life to the Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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 (Note 1(g)).

Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

(d) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(f) Financial Instruments

Classification

The Group classified its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss (“FVPL”) and;
- those to be measured at amortised cost.

The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

Recognition and Derecognition

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

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset.

The Group subsequently measures all debt investments that do not qualify for measurement at amortised cost and all equity investments at fair value. Where the Group’s management has elected to present fair value gains and losses on debt and equity investments in profit or loss, interest and dividends from such investments continue to be recognised in profit or loss as other income when the Group’s right to receive payments is established.

Impairment losses (and reversal of impairment losses) on debt and equity investments measured at FVPL are not reported separately from other changes in fair value.

Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVPL and equity instruments carried at FVPL. The impairment methodology applied depends on whether there has been a significant increase in credit risk since initial recognition. For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Impairment of Assets

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are measured at amortised cost. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

Impairment of non-financial assets other than Goodwill

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include considering both external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss.

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

(h) Intangibles

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill on consolidation is initially recorded at the amount by which the purchase price for a business combination exceeds the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Any gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Customer Contracts

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 10 years.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Foreign Currency Transactions and Balances

Functional and Presentation Currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and Balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss.

Exchange differences arising on translation of foreign operations are recognised in other comprehensive income.

(j) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

(k) Provisions

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

(l) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the consolidated statement of financial position.

(m) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. The group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. Trade and other receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets.

(n) Contract liabilities

Contract liabilities represent the Group's obligation to transfer services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration, (whichever is earlier) before the consolidated entity has transferred services to the customer.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Revenue

The Group recognises revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Subscription income:

Subscription revenue for agreements are recognised on a straight line basis over the term of the subscription period.

Fund manager fees:

Fund manager fees are recognised over the period in which the services are rendered.

Interest:

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue:

Other revenue is recognised when it is received or when the right to receive payment is established.

(p) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(q) Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the tax authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) Business Combinations

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Business Combinations (Continued)

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquiree.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

(s) Comparative Figures

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

(t) Rounding of Amounts

The Company is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (“ASIC”) relating to the “rounding off” of amounts in the directors' report and financial report. Amounts in the directors' report and financial report have been rounded off in accordance with that ASIC Instrument to the nearest thousand dollars, unless otherwise indicated.

(u) Critical Accounting Estimates and Judgments

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

Key Estimates

(i) Impairment

The Group assesses impairment at each reporting date by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Where any impairment trigger exists, the recoverable amount of the asset is determined. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Key Judgements

(i) Impairment of Goodwill and other intangible

The directors have assessed the value of goodwill and other intangible at balance date and have determined that the net book value at 30 June 2023 is recoverable. Further details are included in Note 13.

(ii) Business combinations

As discussed in Note 1(r), business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(u) Critical Accounting Estimates and Judgments (Continued)

(iii) Revenue

Reference to Note 1(o) for revenue relating to subscription packages greater than 1 year, income is recognised on a straight line basis.

(v) Fair Value Measurement

The fair value of financial assets and liabilities are estimated for disclosure purposes in accordance with AASB 13– Fair Value Measurement which requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(i) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;

(ii) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(iii) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(w) Going Concern

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

For the year ended 30 June 2023, the Group incurred an operating loss after tax from continuing operations $2,565,934 (2022: $1,979,444), and net cash outflow from operating activities of $2,102,095 (2022: $1,018,103) during the year ended 30 June 2023 and, as of that date, the Group's net assets of $966,957 (2022: $3,383,891). As the Group has incurred a loss and has net cash outflow from operating activities this may cast uncertainty over the Group's ability to continue as a going concern.

The Directors believe that it is reasonably foreseeable that the company will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- Core business sales continue to be maintained, with ongoing marketing and subscriber growth initiatives underway.
- A new commission-only marketing and distribution partnership to sell the CTM education seminar packages is being launched in August 2023 with expected material revenue growth prospects.
- The recently launched Equity Story Securities division has exhibited promising early results, demonstrating potential for immediate positive cash flow.
- Across the Group during August 2023 there has been a substantial reduction in operating overheads, including the cost of external service providers, staff headcount reductions and reduced remuneration, migrating some sales staff to performance-based packages, impending cancellation of a premises lease, cancellation of software subscriptions, and general expenses.
- More than 32% of the Company's Current and Non-Current Liabilities relate to unearned income from upfront cash sales of content subscription packages that are for platform access services to be delivered in future periods.
- The Company raised $1.030 million on 1 August 2023 (post-balance date) by way of a 5 Year Fixed Coupon Bond Issue, being debt funding, and augmenting cash balances of the Company. This is expected to be Tranche 1 of a larger Bond issue, with further tranches to be potentially issued in due course.
- In parallel, discussions regarding proposed acquisitions on boutique financial planning and wealth management practices are continuing to progress well. This planned strategic move is expected to deliver recurring revenue and sustainable growth, as well as services which are compatible with the Company's core financial services offerings.
- Additionally, the Equity Story Fund is outperforming the benchmark this year.

Management have prepared cash flow forecasts which management considers demonstrates that the consolidated entity will generate sufficient cash flows to enable it to continue as a going concern and pay its debts as and when they fall due and payable. Accordingly, the financial statements have been prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(x) New, revised or amending Accounting Standards and Interpretations adopted

In the current year, the consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. Based on the review, there is no specific revision or new standard that affects the current reporting period.

NOTE 2: BUSINESS ACQUISITION

Acquisition of Blue Tree Equity Pty Ltd
Equity Story Group Ltd acquired Blue Tree Equity Pty Ltd, trading as A Rich Life ("ARL") on 1 July 2022. ARL is an online investing, news and arts media company from renowned equities commentator Claude Walker. ARL brings around 400 new paying subscribers; a new website with a wider and younger audience; expanded and differentiated content, including financial media content; a pipeline of additional subscribers; and many operational synergies.

Total consideration payable for the acquisition of ARL is $500,000, payable in instalments. There was an upfront payment of $250,000 made on 1 July 2022; and additional payments of $150,000 are due on 1 July 2023 and $100,000 due on 1 July 2024.

In accordance with AASB 3: Business Combinations, the difference between the fair value of the deemed consideration paid by Equity Story Group Ltd and the fair value of the identifiable net assets of ARL, has been recognised as $501,960 in goodwill as set out below.

Details of the fair value of the identifiable net assets acquired and the excess consideration are set out below:

Deemed purchase consideration:	$
Fair value of shares transferred	500,000
Add: fair value of net identifiable liabilities acquired	(1,960)
Goodwill	501,960

The fair value of the identifiable assets and liabilities of the Company at the date of acquisition was as follows:

Assets	
Cash and cash equivalents	76,167
Trade & other payables	(12,639)
Loans	(65,488)
Total identifiable net assets as fair value	(1,960)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 3: REVENUE AND OTHER INCOME

	Consolidated Group	
	2023	2022
	$	$
Revenue and Other Income Revenue from ordinary activities		
Sales revenue		
Subscription income	1,053,636	822,216
	1,053,636	822,216
Other revenue		
Interest received	22,139	24
Other revenue	53,839	74,924
	75,978	74,948
Total Revenue	1,129,614	897,164

NOTE 4: OTHER EXPENSES

	Consolidated Group	
	2023	2022
	$	$
Other expenses from ordinary activities:		
Insurance	184,834	57,541
Merchant fees	12,641	14,180
Rent	25,022	23,333
Other operating expenses	927,374	672,752
	1,149,871	767,806

NOTE 5: INCOME TAX CREDIT

	Consolidated Group	
	2023	2022
	$	$
(a) Continuing Operations		
The components of income tax credit comprise:		
Current tax relating to Continuing Operations	-	-
	-	-
(b) Income tax credit		
The prima facie tax on profit from continuing activities before income tax is reconciled to the income tax expense (credit) as follows:		
Prima facie tax payable on profit from continuing activities before income tax at 25%	(641,484)	(494,861)
Add / (deduct) tax effect of:		
Temporary differences	-	-
Prior year adjustments	-	-
Carried forward tax losses not brought to account	641,484	494,861
Income tax credit	-	-
The applicable weighted average effective rates are	n/a	n/a

(c) Other comprehensive income

There is no income tax on the items in other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 6: INTERESTS OF KEY MANAGEMENT PERSONNEL

(a) Names and positions held of consolidated entity key management personnel in office at any time during the current and previous financial year are:

Ben Loiterton	Non-Executive Chair
Trent McGraw	Executive Director and Chief Executive Officer (resigned 2 January 2023)
David Tildesley	Executive Director
Mark Goes	Executive Director

(b) Key management personnel / executive directors

	Consolidated Group	
	2023	2022
	$	$
Short-term employee benefits	860,617	605,455
Long-term employee benefits	-	280,000
	860,617	885,455

(c) Option holdings

The options held in the Company by each director of the Company and other key management personnel of the Group, including their related parties, are set out below;

	2023 No.	2022 No.
Ben Loiterton	1,500,000	1,500,000
Trent McGraw[1]	1,500,000	1,500,000
David Tildesley	1,500,000	1,500,000
Mark Goes	1,500,000	1,500,000

(d) Shareholdings

The numbers of share in the Company held during the year by each director of the Company and other key management personnel of the Group, including their personally related parties, are set out below:

	Balance 1.7.2022 Number	Sold Number	Additions Number	Other Movement	Balance 30.6.2023 Number
Directors					
Ben Loiterton	1,000,000	-	-	-	1,000,000
Trent McGraw[1]	11,256,000	-	-	(11,256,000)[1]	-
David Tildesley	28,563,001	-	-	-	28,563,001
Mark Goes	10,897,000	-	-	-	10,897,000

1. As at date of resignation 2 January 2023

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 7: REMUNERATION OF AUDITORS

	Consolidated Group	
	2023	2022
Auditing and reviewing financial reports	$	$
MNSA		
- Audit and review of financial statements	42,000	40,000
- Independent export report for IPO	-	20,000
Trigons Business Advisory		
- Audit and review of financial statements	1,600	1,000
	43,600	61,000

NOTE 8: EARNINGS PER SHARE

	Consolidated Group	
	2023	2022
	Cents per share	Cents per share
Earnings per share after tax		
Basic earnings per share	(0.02)	(0.03)
Diluted earnings per share	(0.02)	(0.03)

	Consolidated Group	
	2023	2022
Net profit	$	$
Earnings used to calculate basic EPS	(2,565,934)	(1,979,444)
Earnings used to calculate diluted EPS	(2,565,934)	(1,979,444)
	No.	No.
(a) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	106,993,464	76,908,361
(b) Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	120,600,587	78,825,027

NOTE 9: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2023	2022
	$	$
Cash at bank and in hand	1,223,549	3,599,799

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 10: OTHER ASSETS

	Consolidated Group	
	2023	2022
	$	$
CURRENT		
Loan, underlying fund managed	-	26,200
Trade receivables	22,667	-
Prepayments	21,898	-
GST receivable	11,012	10,720
	55,577	36,920
NON-CURRENT		
Bank Guarantee	32,835	32,835
Rental Bond	-	15,083
	32,835	47,918
	88,412	84,838

NOTE 11: RIGHT OF USE ASSETS

	Consolidated Group	
	2023	2022
	$	$
Non-Current		
Land and building - right-of-use	255,382	255,382
Less: Accumulated Depreciation	(80,658)	(7,094)
Total	174,724	248,288
Movements in carrying amounts		
Opening Balance as at 1 July 2022	248,288	-
Additions	-	255,382
Depreciation/amortisation expense	(73,564)	(7,094)
Closing balance	174,724	248,288

The Group leases building for its office under agreements of three years with no option to extend.
Details on interest expense and cashflows relating to lease liabilities are disclosed in Note 24.

NOTE 12: CONTROLLED ENTITIES

Name of entity	Country of Incorporation	Ownership Interest	
		2023	2022
Parent entity			
Equity Story Group Ltd	Australia		
Controlled entity			
Equity Story Pty Ltd	Australia	100%	100%
Equity Story Fund Pty Ltd	Australia	100%	100%
Equity Story Securities Pty Ltd	Australia	100%	100%
Equity Story Financial Planning Pty Ltd	Australia	100%	0%
Blue Tree Equity Pty Ltd	Australia	100%	0%
Equity Story USA	USA	100%	100%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 13: GOODWILL AND INTANGIBLE ASSETS

	Consolidated Group	
	2023	2022
	$	$
Goodwill on acquisition		
Cost	1,037,335	535,375
Total goodwill and Intangible Assets	1,037,335	535,375

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

Opening balance	535,375	525,000
Acquisition of Equity Story Fund Pty Ltd	-	10,375
Blue Tree Equity Pty Ltd, trading as A Rich Life	501,960	-
Total goodwill and intangible assets	1,037,335	535,375

NOTE 14: INVESTMENTS

	Consolidated Group	
	2023	2022
	$	$
Non-Current		
Edison Capital Fund	26,798	26,798

Reconciliations of the investment values at the beginning and end of the current financial period are set out below:

Opening balance	26,798	150,000
Impairment of investments	-	(123,202)
Total non-current investments	26,798	26,798

NOTE 15: TRADE AND OTHER PAYABLES

	Consolidated Group	
	2023	2022
	$	$
CURRENT		
Trade payables	83,632	8,250
Accrued expenses	115,569	175,281
Deferred consideration	150,000	-
	349,201	183,531
NON-CURRENT		
Deferred consideration	100,000	-

NOTE 16: CONTRACT LIABILITIES

	Consolidated Group	
	2023	2022
	$	$
CURRENT		
Contract liabilities	317,362	294,464
NON-CURRENT		
Contract liabilities	200,957	194,336
	518,319	488,800

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 17: LEASE LIABILITIES

	Consolidated Group	
	2023	**2022**
	$	**$**
CURRENT		
Lease liabilities	87,775	60,883
NON-CURRENT		
Lease liabilities	86,949	194,499
	174,724	255,382

NOTE 18: OTHER LIABILITIES

	Consolidated Group	
	2023	**2022**
	$	**$**
CURRENT		
Employment	240,671	183,494

NOTE 19: BORROWINGS

	Consolidated Group	
	2023	**2022**
	$	**$**
NON-CURRENT		
Bond	200,946	-
	200,946	-

NOTE 20: ISSUED CAPITAL

	Consolidated Group			
	30 June 2023	**30 June 2022**	**30 June 2023**	**30 June 2022**
	No.	**No.**	**$**	**$**
CURRENT				
Fully paid ordinary shares	106,993,464	106,993,464	5,969,628	5,820,628
Movements- Fully paid ordinary shares:				
At the beginning of the year	106,993,464	1	5,227,628	940,399
Capital raise	-	106,993,463	-	5,341,011
Cost of capital raise	-	-	-	(1,053,782)
At the end of the year	106,993,464	106,993,464	5,227,628	5,227,628

Capital Management

Management controls the capital of the Group in order to meet debt covenants, provide shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital and financial liabilities supported by financial assets.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in risks and in the market. These responses include the management of debt levels and share issues. There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 21: OPTION RESERVE

The option reserve records items recognised as expenses on valuation of options issued.

	Consolidated Group	
	2023	2022
	$	$
Options issued cost of capital raising	225,000	225,000
Options issued employment expenses	517,000	368,000
	742,000	593,000

NOTE 22: SHARE-BASED PAYMENTS

Granted (No.)	Grant Date	Fair Value per option at grant date	Exercise price	Expiry Date	2022 ($)	2023 ($)
7,500,000	16 Nov 2021	$0.03	$0.25	4 May 2025	225,000	n/a
4,000,000	26 May 2022	$0.03	$0.25	10 August 2024	368,000	n/a
1,400,000	13 December 2022	$0.01	$0.15	13 December 2026	n/a	14,000
4,500,000	13 March 2023	$0.03	$0.05	15 March 2027	n/a	135,000

NOTE 23: SEGMENT REPORTING

	Equity Story Pty Ltd		Equity Story Fund Pty Limited		Unallocated		Elimination		Consolidated-Continuing Operations	
	30 Jun 2023 $'000	30 Jun 2022 $'000	30 Jun 2023 $'000	30 Jun 2022 $'000	30 Jun 2023 $'000	30 Jun 2022 $'000	30 Jun 2023 $'000	30 Jun 2022 $'000	30 Jun 2023 $'000	30 Jun 2022 $'000
Total revenue	796	822	54	158	257	-	23	(83)	1,130	897
Total (loss) after income tax	(1,889)	(1,071)	(136)	(94)	(540)	(772)	(1)	(42)	(2,566)	(1,979)
Total segment assets	868	915	42	41	2,666	4,557	(1,025)	(1,018)	2,551	4,495
Total segment liabilities	3,359	1,502	216	89	(1,991)	134	-	(614)	1,584	1,111
Income tax expense (credit)	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation	-	13	-	-	-	-	-	-	-	13
Interest Expense	-	4	-	-	22	-	-	-	22	4

Operating segments are reported in a manner consistent with the internal reporting provided by the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of operating segments has been identified as the board.

Accounting Policies

Segment revenues and expenses are those directly attributable to the segments and include any joint revenue and expenses where a reasonable basis of allocation exists. Segment assets include all assets used by a segment and consist principally of cash, receivables, inventories, intangibles, other financial assets and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis. Segment liabilities consist principally of payables, employee benefits, accrued expenses, provisions and borrowings.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 23: SEGMENT REPORTING (CONTINUED)

Business Segments
There were two operating segments during the period which were Equity Story Pty Ltd and Equity Story Fund Pty Limited.

Geographical Segments
The Group operated in Australia only during the period.

Intersegment Transfers
There were no intersegment transfers.

NOTE 24: CASH FLOWS INFORMATION

	Note	2023 $	2022 $
Reconciliation of Cash Flows from Operations with Profit After Income Tax			
Operating loss after income Tax		(2,565,934)	(1,979,444)
Non-cash items in profit			
-Depreciation and amortisation		-	13,404
-Share based payments		149,000	225,000
-Employment provisions		57,177	109,819
-Accrued expenses		36,962	175,282
-Impairment of investments		-	123,202
-Amortisation of right-of-use assets		73,564	7,094
-Other		109,823	47,202
(Increase) / decrease in:			
- Right-of-use-assets		(73,564)	(248,288)
-Trade receivables		(22,667)	-
-Other assets		19,013	(1,560)
Increase/ (decrease) in:			
-Trade creditors and accruals		165,670	162,007
-Contract liabilities		29,519	92,797
-Lease liabilities		(80,658)	255,382
-Income tax payable		-	-
Cash flows from operating activities		(2,102,095)	(1,018,103)

NOTE 25: RELATED PARTY DISCLOSURES

(a) Equity interests in related parties

Details of the percentage of ordinary shares held in controlled entities are disclosed in Note 12 to the financial statements.

(b) Key management personnel

Details of key management personnel remuneration are disclosed in the Remuneration Report in the Directors' Report, and in Note 6.

(c) Directors' equity holdings

Details of directors' and other key management personnel's equity holdings are disclosed in the Directors' Report and in Note 6.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 25: RELATED PARTY DISCLOSURES (CONTINUED)

(d) Other transactions with key management personnel and related parties

	Consolidated Group	
	2023	**2022**
	$	**$**
Amount payable to key management personnel and other related parties		
Payment for wages expense to Tanya Tidesley (wife of David Tidesley)	-	97,666

NOTE 26: FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks:

1. Market risk – including:
   (i) Foreign exchange risk
   (ii) Interest rate risk
   (iii) Price risk
2. Credit risk, and
3. Liquidity risk

1 (i). Foreign exchange risk

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

The Group does not hedge and therefore is exposed to fluctuations in foreign currencies arising from the sale and purchase of goods and services in currencies other than the Group's functional currency. The Group monitors movements in exchange rates.

There was no foreign currency exposure during the period.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 26: FINANCIAL RISK MANAGEMENT (CONTINUED)

1 (ii). Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments. Interest rate risk is managed using a mix of fixed and floating rate debt as detailed below.

			Floating Interest Rate		Fixed Interest Rate Maturing				Non-Interest Bearing		Total	
	Weighted Average Interest Rate				Less than 1 Year		1 to 5 Years					
	%		$ 000		$ 000		$ 000		$ 000		$ 000	
Consolidated	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Financial assets:												
Cash	0.0%	0.0%	1,223	3,600	-	-	-	-	-	-	1,223	3,600
Other assets	0.0%	0.0%	-	-		-	56	33	32	52	88	85
Investments			-	-	-	-	-	-	27	27	27	27
Right of use assets			-	-	-	-	-	-	174	248	174	248
Total financial assets			1,223	3,600	-	-	56	33	233	327	1,512	3,960
Financial liabilities:												
Lease liability	4.2%	4.2%	-	-	88	61	87	194	-	-	175	255
Borrowings	10.0%	n/a	-	-	-	-	201	-	-	-	201	-
Trade and other payables			-	-	-	-	100	-	349	184	449	184
Contract liabilities			-	-	-	-	-	-	518	489	518	489
Other liabilities			-	-	-	-	-	-	241	183	241	183
Total financial liabilities			-	-	88	61	388	194	1,108	856	1,584	1,111

1 (iii). Price risk

The Consolidated group has exposure to price risk via movements in the price of investments.

2. Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counter parties of contract obligations that could lead to a financial loss to the Group. The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

Credit risk is managed through the maintenance of procedures including the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties, ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Within the Group, credit terms are generally up front before service is provided.

Risk is also minimised through investing any surplus funds in financial institutions that maintain a high credit rating.

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value of those financial assets as presented in the balance sheet.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

NOTE 26: FINANCIAL RISK MANAGEMENT (CONTINUED)

3. Liquidity risk

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

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities
- monitoring undrawn credit facilities
- maintaining a reputable credit profile
- managing credit risk related to financial assets.

Financial liability maturity analysis is included in this Note above (part 1 (ii)).

NOTE 27: PARENT ENTITY INFORMATION

	Consolidated Group	
	2023	**2022**
	Equity Story Group Ltd	**Equity Story Pty Ltd**
	$	**$**
Current assets	1,126,203	4,135,561
Total assets	5,168,024	5,182,381
Current liabilities	198,444	134,069
Total liabilities	498,443	134,069
Shareholders' equity:		
Issued capital	5,227,628	5,227,628
Option reserve	742,000	593,000
Retained earnings	(1,300,047)	(772,316)
	4,669,581	5,048,312
Loss for the year	(527,731)	(772,316)
Total comprehensive loss	(527,731)	(772,316)

NOTE 28: COMPANY DETAILS

The registered office and principal place of business of the Company is:
Equity Story Group Ltd
Suite 501/70 Castlereagh St, Sydney NSW 2000

NOTE 29: EVENTS SUBSEQUENT TO BALANCE DATE

On 1 August 2023, bond funding raise of $1,030,000 via issue of 103 bonds to sophisticated investors. This issue is the first tranche of Bonds to be issued in this initial series. The Bond Offer remains open and the Company is in discussions with additional investors. Each Bond has a face value of $10,000 each, bears interest at a rate of 10% per annum, paid semi-annually at 5% every six months, and mature five years from issue. The issue also involved 5,000 free-attaching, unlisted options with an exercise price of $0.10 and expiring three years from issue for each Bond for a total of 515,000 options.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years;

(b) the results of those operations in future financial years;

(c) the Group's state of affairs in future financial years.

Equity Story Group Ltd – Additional Information for ASX Listed Companies

In accordance with ASX Listing Rule 4.10, the Directors provide the following information as at 9 August 2023.

Stock Exchange Quotation
The Company's shares are quoted on the ASX under the code "EQS".

Classes of Securities
The Company has the following equity securities on issue:

- ASX quoted: 40,614,769 ordinary shares (**EQS**), each fully paid, held by 406 shareholders;
- Unlisted: 66,378,668 ordinary shares subject to ASX Escrow held by 20 shareholders;
- Unlisted: 11,500,000 options exercisable at $0.25 and expiring 3 May 2025 held by 26 holders;
- Unlisted: 1,400,000 employee options exercisable at $0.15 and expiring 14 December 2026 held by 3 holders;
- Unlisted: 515,000 employee options exercisable at $0.10 and expiring 3 August 2026 held by 10 holders; and
- Unlisted: 4,500,000 employee incentive options exercisable at $0.05 and expiring 15 March 2027 held by 1 holder.

Distribution schedule of the number of holders of ordinary shares

Holdings Ranges	Holders	Total Units	%
1-1,000	11	1,956	0.000
1,001-5,000	8	27,065	0.030
5,001-10,000	71	686,695	0.640
10,001-100,000	220	8,786,059	8.210
100,001-9,999,999,999	96	97,491,689	91.120
Totals	406	**106,993,464**	**100.000**

Twenty largest shareholders

	Shareholder	Number of shares held	% of issued capital
1	TANYA TILDESLEY	27,563,000	25.761%
2	EDISON CAPITAL GROUP PTY LTD <THE MCGRAW FAMILY A/C>	11,256,000	10.520%
3	HAGO FUTURES PTY LTD <HARRISONGOES FAMILY A/C>	10,897,000	10.185%
4	MCGRAW ELECTRICAL PTY LTD <MCGRAW ELECTRICAL S/F A/C>	5,897,200	5.512%
5	ZOBEL INVESTMENTS PTY LTD <NAPIER PROPERTIES S/F A/C>	4,487,000	4.194%
6	THE DIGITAL CROWDS PTY LTD	3,333,200	3.115%
7	ALITIME NOMINEES PTY LTD <HONEYHAM FAMILY A/C>	3,076,800	2.876%
8	MR GARY STINGL	1,999,999	1.869%
9	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	1,866,600	1.745%
10	MR NICHOLAS D'ESPEISSIS	1,207,865	1.129%
11	WHITEHOUSE GROUP NOMINEES PTY LTD <S WHITE SUPERFUND A/C>	1,024,773	0.958%
12	VENTURASTAR PTY LIMITED	1,000,000	0.935%
13	PETER KOPETZ	1,000,000	0.935%
14	JETSMAN PTY LTD	1,000,000	0.935%
15	HORTH PURE ALPHA UNIT TRUST <A1121828>	1,000,000	0.935%
16	PAYNE SUPERANNUATION PTY LTD	1,000,000	0.935%
17	ANGKOR IMPERIAL RESOURCES PTY LTD <TURKISH BREAD S/F A/C>	836,667	0.782%
18	WHITEHOUSE GROUP NOMINEES PTY LTD <S WHITE SUPER FUND A/C>	800,001	0.748%
19	EQUITY STORY PTY LTD	800,000	0.748%
20	MR KEVIN DANIEL LEARY & MRS HELEN PATRICIA LEARY <KEVIN & HELEN LEARY S/F A/C>	749,476	0.700%
Total Securities of Top 20 Holdings		80,795,581	75.515%
Total Securities		**106,993,464**	

Equity Story Group Ltd – Additional Information for ASX Listed Companies (continued)

Marketable Parcels
Equity Story Group has 26 shareholders holding less than a marketable parcel 9,615 shares each (i.e. less than $500 per parcel of shares) based on the closing price of $0.052 on 11 August 2023 representing a total of 75,716 shares.

Substantial Shareholders
The names of substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act are:

Name	Number of Shares	Voting Power
Tanya Tildesley	28,563,000	26.76%
Edison Capital Pty Ltd	11,256,000	10.52%
Hago Futures Pty Ltd	10,897,000	10.18%
McGraw Electrical Pty Ltd	5,897,200	5.51%

Voting rights

Each ordinary share is entitled to one vote when a poll is called, otherwise each member present at a meeting or by proxy has one vote on a show of hands.

Options do not carry any voting entitlements

Restricted securities

Equity Story Group currently has the following restricted securities on issue:

Security	Restriction	Number of Securities	Number of Holders
Fully Paid Ordinary Shares	ASX Escrowed 24 months from Issue	66,378,668	20
Options Exercisable at $0.25 and expiring 3 May 2025	ASX Escrowed 24 months from Issue	10,000,000	25

On-market Buy-backs

There is no current on-market buy-back of any securities.

CORPORATE DIRECTORY

Directors
Ben Loiterton
Non-Executive Chair

David John Tildesley
Executive Director and Chief Executive Officer

Mark Goes
Executive Director

Company Secretary
Elissa Hansen

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Suite 501, 70 Castlereagh Street
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Email: admin@equitystory.com.au
Website: www.equitystory.com.au

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Level 4,
50 Market Street
MELBOURNE VIC 3000

Auditor
MNSA Pty Ltd
Level 1, 283 George Street,
SYDNEY NSW 2000

Share Registry
Boardroom Pty Limited
Level 12, 225 George St
The Rocks NSW 2000
Telephone:1300 737 760 (within Australia)
Telephone: +61 2 9290 9600

Stock Exchange Listing
Equity Story Group Ltd shares are listed on the Australian Securities Exchange

ASX Code: EQS