

REGISTERED NUMBER: 08802975 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024
FOR
LEAP LEGAL SOFTWARE LTD

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for the Year Ended 30 June 2024**

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COMPANY INFORMATION
for the Year Ended 30 June 2024

DIRECTORS: C M Beck
J Espley
A G Ghiazza
C D Champion

REGISTERED OFFICE: 10 John Street
London
WC1N 2EB

REGISTERED NUMBER: 08802975 (England and Wales)

AUDITORS: Oury Clark Chartered Accountants
Statutory Auditors
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

**STRATEGIC REPORT
for the Year Ended 30 June 2024**

The directors present their strategic report for the year ended 30 June 2024.

LEAP Legal Software Limited's principal activity is the provision of cloud-based practice management software for small to mid-sized firms.

REVIEW OF BUSINESS

FY24 was another strong year for the business. Just under 3000 net new users subscribed to LEAP's flagship product, further consolidating our position as the leading provider of cloud practice management software.

Considerable effort was spent integrating the prior year acquisitions of Solicitor's Own Software, LineTime and WillSuite, with additional revenue streams and cost synergies starting to materialise by the end of the financial year.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks continue to reside around the health of the economy, and particularly the resilience of the UK property market.

Macroeconomic factors impact on a law firms' ability and desire to invest in premium legal technology. This especially applies to those firms that specialise in conveyancing or derive a large proportion of their business through residential or commercial property transactions.

LEAP mitigates these risks by appealing to a diverse client base that practice law in a variety of areas.

STRATEGIC REPORT
for the Year Ended 30 June 2024

SECTION 172(1) STATEMENT

Introduction:

As the directors of LEAP Legal Software Ltd, we are committed to fulfilling our responsibilities under Section 172 of the Companies Act 2006. This statement outlines how we have considered the interests of our stakeholders, including our employees, customers, suppliers, shareholders, and the community, in our decision-making processes over the past financial year.

Our Business:

LEAP Legal Software Ltd is a software development company specializing in cloud-based practice management software for the legal industry. Our mission is to deliver innovative and user-friendly software solutions that empower law firms and enhance productivity.

Stakeholder Engagement:

We recognise that our success is dependent on our ability to maintain strong relationships with our stakeholders. Throughout the year, we have engaged with our stakeholders through various channels:

1. Employees:

- We prioritize the wellbeing and development of our team members. Regular feedback sessions and employee surveys have been conducted to understand their needs and concerns.
- We have invested in training and development programs, ensuring our employees have the skills necessary to excel in their roles.

During the year LEAP earned 'Great Place to Work' certification, thereby gaining formal recognition for the investment made in its most valuable resource - our people.

2. Customers:

- Customer satisfaction is at the heart of our business. We conduct regular surveys and feedback sessions to gather insights into their experiences and expectations.
- We have implemented customer support initiatives, ensuring our clients receive timely assistance and that their feedback informs our product development.

The widely employed Net Promoter Score (NPS) methodology is operated to measure customer satisfaction. In FY24 the average NPS score was 61 (58 in FY23).

3. Suppliers:

- We maintain strong relationships with our suppliers, ensuring fair and ethical practices in our procurement processes.
- Regular meetings and communication help us align our objectives and foster collaboration.

4. Shareholders:

- We strive for transparency in our operations and financial performance. We provide regular updates through shareholder meetings and reports.
- We consider shareholder interests when making strategic decisions, ensuring that our long-term growth aligns with their expectations.

5. Community and Environment:

- We are committed to being a responsible corporate citizen. We engage in local community initiatives and support charitable causes that align with our values.
- We are also focused on reducing our environmental impact by implementing sustainable practices in our operations.

Although the Company power consumption is greater than 40,000 kWh of energy, LEAP Legal Software Ltd and all subsidiary undertakings are included within the Streamlined Energy and Carbon Reporting statement that is detailed in the financial statements of the immediate parent company, LEAP Legal Software UK Holdings Limited.

STRATEGIC REPORT
for the Year Ended 30 June 2024

6. Decision-Making:

In our decision-making processes, we carefully weigh the potential impact on all stakeholders while ensuring the long-term sustainability and success of LEAP Legal Software Ltd.

Business Conduct within the Group

LEAP Legal Software Ltd expects all entities within the group to act with integrity, act openly, honestly and ethically. The Company maintains effective oversight with respect to business conduct. Integrity is underpinned with Global HR policies, not only in the LEAP UK group, but across the ATI group as a whole. These policies instil the need to act fairly with all members of the group, and are reinforced upon staff onboarding and regular training and teambuilding sessions.

Conclusion:

We believe that by adhering to our responsibilities under Section 172, we can create lasting value for our stakeholders and ensure the sustainable growth of LEAP Legal Software Ltd. As we move forward, we will continue to engage with our stakeholders and consider their interests in all our strategic decisions.

STRATEGY

LEAP Legal Software Ltd aims to further consolidate its position in the market by maximising growth and expanding market share.

This is being done primarily through continuous R&D investment and enhancement of the core software, customer service excellence and effective articulation of our value proposition to prospective and existing customers. With regards to likely future developments, the Company has begun exploring the usage of artificial intelligence (AI) in its product offerings, and it is expected that this will have a positive impact on revenues as the technology advances through its life cycle.

As well as organic growth, the strategy has always been to drive market share by switching customers from legacy systems acquired over time to our flagship LEAP product.

RESULTS & PERFORMANCE

The results of the company for the year, as set out on page 12 show a profit before tax of £4.5m (2023: £6.8m) and an increase in revenue of 20.5% from the previous year to £33.9m.

The main driver of growth remains the continuing expansion of the subscriber base, through new sales and existing customer growth. Growth has been further aided by multiple competitor acquisitions since FY21.

BUSINESS ENVIRONMENT

The market for practice management software is highly competitive with several long-established companies and new start-up entrants offering products in LEAP's target market.


Threats from the competition are mitigated by positioning LEAP as the premium solution thereby differentiating ourselves from low-cost providers and newer entrants.

STRATEGIC REPORT
for the Year Ended 30 June 2024

COMPLIANCE WITH MODERN SLAVERY ACT

Following the enactment of the Modern Slavery Act in October 2015, the Company has reviewed its procurement and human rights practices and those of its supply chain considering this act. Having reviewed the requirements of the Modern Slavery Act, the Company has taken action to comply with the regulations. LEAP Legal Software Ltd, and all members of the wider group do not support forced and compulsory labour, or the exploitation of children. Further details on how the Company maintains and upholds fair and safe work practices across our businesses and extended networks can be found within the group Modern Slavery Statement at www.leap.co.uk/modern-slavery-statement/

ON BEHALF OF THE BOARD:



.....
J Espley - Director

Oct 1, 2024
Date:

**REPORT OF THE DIRECTORS
for the Year Ended 30 June 2024**

The directors present their report with the financial statements of the company for the year ended 30 June 2024.

LEAP Legal Software Limited is a private company limited by shares domiciled in England & Wales with its principal place of business at Regal House, 70 London Road, Twickenham, TW1 3QS.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of practice management and document automation software to small and medium sized law firms.

During the year, there were no significant changes in the nature of the principal activity.

DIVIDENDS

No dividends have been distributed for the year ended 30 June 2023.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 July 2023 to the date of this report.

C M Beck
J Espley

Other changes in directors holding office are as follows:

R D Hugo-Hamman - resigned 20 May 2024
A G Ghiazza - appointed 16 June 2024
C D Champion - appointed 16 June 2024

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

Director's insurance cover has been established for all directors to provide appropriate cover for their reasonable actions on behalf of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**REPORT OF THE DIRECTORS
for the Year Ended 30 June 2024**


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Oury Clark Chartered Accountants, are deemed to be re-appointed under Section 487 (2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:



.....
J Espley - Director

Oct 1, 2024
Date:

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LEAP LEGAL SOFTWARE LTD

Opinion

We have audited the financial statements of LEAP Legal Software Ltd (the 'company') for the year ended 30 June 2024 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to the events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months and one day from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, and the information in the Strategic Report, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be misstated. If we identify such inconsistencies or apparent misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LEAP LEGAL SOFTWARE LTD**

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any matters in the Report of the Directors, nor in the Strategic Report, that are inconsistent with our overall view of the financial statements.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LEAP LEGAL SOFTWARE LTD

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) 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 these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Identifying and assessing potential irregularities, including fraud

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- Considering the nature of the industry, sector, control environment and current business activities, including possible performance targets and subsequent remuneration.
- Enquiring of management concerning policies and procedures relating to:
 1. Complying with laws and regulations and whether there were any instances of non-compliance;
 2. Mitigating, detecting and responding to fraud risk and whether there has been any actual or possible instances of fraud.
- Discussing within the engagement team and internal specialists where necessary, regarding how and where fraud may occur in the financial statements along with the possible indicators of fraud. We identified the following as the areas most likely to be susceptible to fraud:
 1. Revenue recognition;
 2. Management override.

- Discussing within the engagement team and internal specialists where necessary, the legal and regulatory framework in which the company operates and in particular those which would have an impact on the financial statements. The key laws and regulations considered were the Companies Act 2006, UK tax legislation, and UK employment law.

Audit response to the risks identified

As noted above, we identified the following as the matters that would most likely be susceptible to fraud:

1. Revenue recognition;
2. Management override.

Our procedures to respond to these risks include the following:

- Testing a sample of sales invoices chosen from a sales listing outside of the accounting system to check that the services provided are appropriate and are recognised in the correct period;
- Reviewing the nominal ledger and journals posted in the year for any evidence of management override, or transactions outside the course of normal business.

Further, we also identified compliance with the Companies Act 2006, UK tax legislation, and UK employment law as being key areas where there may be possible non-compliance. Our procedures to respond to these risks included the following:

1. Review the disclosures in the financial statements and testing supporting documentation to assess compliance with the Companies Act 2006;
2. Safeguard review of the accounts by a qualified accountant not associated with the audit team;
3. Corporation tax computation prepared and reviewed by a separate team independent from the audit team;;
4. Checking a sample of compliance with right to work checks and reviewing legal fees for indications of material issues arising out of non-compliance with employment law.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
LEAP LEGAL SOFTWARE LTD**

The above matters and identified laws and regulations and potential fraud risks were communicated to all engagement team members, in order to enable the team to have the ability to identify such risks. The whole team remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Emma Crowley

Emma Crowley (Senior Statutory Auditor)
for and on behalf of Oury Clark Chartered Accountants
Statutory Auditors
Herschel House
58 Herschel Street
Slough
Berkshire
SL1 1PG

Date: Oct 1, 2024
Date:

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)**INCOME STATEMENT
for the Year Ended 30 June 2024**

		30.6.24	30.6.23
	Notes	£	as restated £
TURNOVER	3	33,936,158	28,171,423
Administrative expenses		28,392,103	20,284,598
OPERATING PROFIT		5,544,055	7,886,825
Interest receivable and similar income		947,973	1,293,864
		6,492,028	9,180,689
Interest payable and similar expenses	6	2,018,098	2,356,840
PROFIT BEFORE TAXATION	7	4,473,930	6,823,849
Tax on profit	8	(287,545)	1,434,115
PROFIT FOR THE FINANCIAL YEAR		4,761,475	5,389,734

The notes form part of these financial statements

LEAP LEGAL SOFTWARE LTD (REGISTERED NUMBER: 08802975)

OTHER COMPREHENSIVE INCOME
for the Year Ended 30 June 2024


	30.6.21	30.6.23 as restated
Notes	£	£
PROFIT FOR THE YEAR	4,761,475	5,389,734
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>4,761,475</u>	<u>5,389,734</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
30 June 2024

	Notes	30.6.24		30.6.23 as restated	
		£	£	£	£
FIXED ASSETS					
Owned					
Intangible assets	10		1,571,818		1,955,047
Tangible assets	11		165,667		216,018
Right-of-use					
Tangible assets	11, 17		266,981		538,731
Investments	12		47,105,376		47,105,376
			<u>49,109,842</u>		<u>49,815,172</u>
CURRENT ASSETS					
Debtors	13	31,974,622		26,803,986	
Cash at bank		<u>3,294,051</u>		<u>1,112,451</u>	
				<u>27,916,437</u>	
CREDITORS					
Amounts falling due within one year	14	<u>71,906,100</u>		<u>63,356,595</u>	
NET CURRENT LIABILITIES			<u>(36,637,427)</u>		<u>(35,440,158)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			12,472,415		14,375,014
CREDITORS					
Amounts falling due after more than one year	15		(1,965,371)		(8,629,445)
PROVISIONS FOR LIABILITIES	18		<u>(40,579)</u>		<u>(40,579)</u>
NET ASSETS			<u>10,466,465</u>		<u>5,704,990</u>
CAPITAL AND RESERVES					
Called up share capital	19		14,795		14,795
Share premium	20		171,840		171,840
Retained earnings	20		<u>10,279,830</u>		<u>5,518,355</u>
SHAREHOLDERS' FUNDS			<u>10,466,465</u>		<u>5,704,990</u>

The financial statements were approved by the Board of Directors and authorised for issue on
 Oct 1, 2024 and were signed on its behalf by:



 J Espley - Director

The notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 30 June 2024

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 July 2022	-	128,621	171,840	300,461
Changes in equity				
Issue of share capital	14,795	-	-	14,795
Total comprehensive income	-	5,389,734	-	5,389,734
Balance at 30 June 2023	<u>14,795</u>	<u>5,518,355</u>	<u>171,840</u>	<u>5,704,990</u>
Changes in equity				
Total comprehensive income	-	4,761,475	-	4,761,475
Balance at 30 June 2024	<u>14,795</u>	<u>10,279,830</u>	<u>171,840</u>	<u>10,466,465</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 June 2024

1. STATUTORY INFORMATION

LEAP Legal Software Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The company's trading address is; Level 1, Regal House, 70 London Road, Twickenham, TW1 3QS.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements are presented in Sterling, which is the functional currency of the company.

Preparation of consolidated financial statements

The financial statements contain information about LEAP Legal Software Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 401 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, ATI Global Limited, Level 8, 135 King Street, Sydney, 2000, NSW, Australia.

Going concern

After making enquiries, the directors have reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least 12 months and 1 day from the date these financial statements were approved. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment; and
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134 to 136 of IAS 1;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 74(b) of IAS 16;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the company's financial report requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination or the amount and timing of revenue from contracts with customers:

Identifying performance obligations:

Revenue from software sales are bundled together with the sale of support services, implementation transition services and the provision of legal precedents content. The Company determined that there are three performance obligations in a contract for bundled sales of software license, transition services, and provision of legal precedents content because its promises to provide the services are capable of being distinct and separately identifiable. Performance obligation for online search and company registrations is the delivery of respective reports to customers.

Determining the timing of satisfaction of software sales and services:

Where the Group provides proprietary legal SaaS (software as a service) platform, revenue is recognised over the term of the contract. Support services and the provision of legal content are recognised over the term of the contract in line with the satisfaction of performance obligations under the contract. The Company determined that the 'over a period of time' measure for SaaS platform, support services and provision of legal precedents content is most appropriate because the software and legal precedents content are provided continuously while for support customers can log in or call helpdesk when they like over the fixed time period.

Principal versus agent considerations:

The Company has determined that it has control over the services it provides given it is able to direct the use of and obtain substantially all of the remaining benefits from the service and is the entity that is primarily responsible for fulfilling the promise to provide the service. The Company also has discretion in establishing the price for the services.

Determining the lease term of contracts with renewal and termination options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Company has several lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (c.g. construction of significant leasehold improvements or significant customisation to the leased asset).

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

2. ACCOUNTING POLICIES - continued

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets:

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cashflows and the growth rate used for extrapolation purposes.

Recoverable value of recognised receivables:

The recoverability of trade and other debtors is regularly reviewed in the light of available economic information specific to each debtor, and provisions are recognised for balances considered to be irrecoverable.

Capitalisation of development costs:

The Company capitalises costs for technology products development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed in line with IAS 38 Intangible Assets. In determining the amounts to be capitalised, management makes assumptions regarding allocation of time, the expected future cash generation of the products and the expected period of benefits.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

2. ACCOUNTING POLICIES - continued

Changes in accounting policies

Comparatives

The financial statements provide comparative information in respect of the previous period. Certain numbers of the prior period have been reclassified to be consistent with the current year's disclosure presentation.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within 12 months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in the normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within 12 months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

2. ACCOUNTING POLICIES - continued

Revenue recognition

Revenue from contracts with customers

The Company is in the business of the sale of practice management software for small and medium law firms.

Revenue from contracts with customers is recognised when control of the services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

To determine whether to recognise revenue under IFRS 15, the Company follows a 5 step process:

1. Identifying the contract with a customer;
2. Identifying the performance obligations;
3. Determining the transaction price;
4. Allocating the transaction price to the performance obligations;
5. Recognising revenue when/as performance obligation(s) are satisfied.

Revenue from Legal Search reports

The performance obligation for online search and company registrations is the delivery of respective reports to customers. Revenue is recognised when online search and registration orders are complete which is when the performance obligations are satisfied.

Revenue from practice management software

Revenue from software sales are bundled together with the sale of support services, implementation transition services, and the provision of legal precedents content.

The Company assessed that there are three performance obligations: provision of software license & support services, implementation transition services, and provision of legal content.

Where the Company provides proprietary legal SaaS (software as a service) platform, revenue is recognised over the term of the contract. Support services and the provision of legal content are recognised over the term of the contract. Revenue from implementation transitions services are recognised on completion of the transition service, as this is when the performance obligations for these three revenue streams are satisfied.

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

2. ACCOUNTING POLICIES - continued

Intangible assets

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Following initial recognition of development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Client Lists

Client lists and relationships are the assessed values of the customer contracts for supply of goods and services that exist at the date of acquisition. A discounted cash flow valuation methodology is used, including consideration of historic customer retention and projected future cash flows.

Development costs

The Company capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

A summary of the policies applied to the Company's intangible assets is as follows:

	<u>Internally Generated or Acquired</u>	<u>Useful Life</u>	<u>Amortisation Policy</u>
Client lists	Acquired	Indefinite	In line with remaining customer base
Development costs	Internally generated	4 years	Straight line

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation on tangible fixed assets is calculated using the following methods and rates to allocate their cost or deemed cost net of their residual values, over their estimated useful lives, as follows:

Fixtures and fittings	Straight Line	3 years
Computer equipment	Straight Line	3 years
Right-of-use assets (included within fixtures and fittings)	Straight Line	Lease Term

A tangible fixed asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

2. ACCOUNTING POLICIES - continued

Financial instruments

Debtors

Debtors are recognised initially at fair value and subsequently measured at amortised cost, less loss allowances.

Loss allowances are calculated for lifetime expected credit losses. Expected credit losses are a probability weighted estimate of credit losses and are calculated based on actual historical credit losses over the past three years and adjusted to reflect differences between the historical credit losses and the Company's view of the economic conditions over the expected lives of the receivables. The amount of the loss is recognised in the profit and loss. When a debtor is uncollectible, it is written off against the allowance account for debtors. Subsequent recoveries of amounts previously written off are credited to the profit and loss. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit and loss.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprises cash at bank and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

Creditors

Creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets and financial liabilities

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

2. ACCOUNTING POLICIES - continued

Finance income

Interest income/(expense) is recognised using the effective interest rate method. In calculating interest income/(expense), the effective interest rate is applied to the gross carrying amount of the asset, when the asset is not impaired or to the amortised cost of the liability for interest expense. For financial assets that have been impaired after initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer impaired the interest income calculation reverts to the gross carrying amount.

Finance costs

Finance costs are recognised on an accrual basis.

Interest-bearing borrowings

Borrowings are recognised initially at fair value less attributable transactions costs. They are subsequently measured at amortised cost. Any difference between the amount initially recognised and the redemption value is recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest rate method.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is provided on all material timing differences, arising from the different treatment of transactions and events for financial statements and taxation purposes. Deferred tax is calculated at the rates at which it is estimated that the deferred tax balances are expected to reverse.

A deferred tax asset is only recognised where there are reliable forecasts to demonstrate recoverability.

Research and development

Expenditure on research and development is written off in the year in which it is incurred, unless expenditure relates to a clearly defined project and the outcome of the project is expected to be technically viable.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

2. ACCOUNTING POLICIES - continued

Leases

The Company recognises a right of use asset and lease liability at the lease commencement date.

The right of use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability. The assets are depreciated over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date and are discounted using the Company's incremental borrowing rate. The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

After mutual recognition the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Investments

Investments in subsidiaries are recorded at cost, plus contingent consideration valued at fair value, even if at the date of acquisition, it is not deemed probable that a payment will eventually be made. All subsequent changes to that contingent consideration are recognised through the income statement, per IFRS3 (Revised).

Investments in subsidiaries are reviewed annually for impairment.

3. TURNOVER

Revenue from contracts with customers

Disaggregation of revenue

All turnover from contracts with customers is derived from the United Kingdom.

An analysis of revenue by category is as follows:

	30.6.24	30.6.23
		as restated
	£	£
Provision on practice management software and related services	32,748,180	27,219,270
Legal Search report revenues	1,187,978	952,153

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

3. **TURNOVER - continued****Contract balances**

The following table provides information about receivables and contract liabilities from contracts with customers.

	30.6.24	30.6.23 as restated
	£	£
Receivables, which are included within debtors	107,596	86,039
Contract liabilities - deferred income	6,264,673	17,433,953

Contract liabilities are recognised and arise based on performance obligations detailed in the Turnover accounting policies. During the period the company recognised £12,514,273 of revenue that was recognised as a contract liability at the start of the period.

Trade receivables are non-interest bearing and settlement terms for debtors are typically upon date of invoicing.

4. **EMPLOYEES AND DIRECTORS**

	30.6.24	30.6.23 as restated
	£	£
Wages and salaries	7,199,331	7,464,553
Social security costs	1,324,765	959,434
Other pension costs	568,505	393,720
	<u>9,092,601</u>	<u>8,817,707</u>

The average number of employees during the year was as follows:

	30.6.24	30.6.23 as restated
Sales	31	34
Operations	86	83
Development	13	15
	<u>130</u>	<u>132</u>

The above figures are net of recharges to wholly owned group members and related parties in respect of staff costs attributable to members of the respective entity.

Director's emoluments for the year amounted to £618,724 (2023: £448,789) and pension contributions of £45,703 (2023: £44,434). This related entirely to the highest paid director.

5. **EXCEPTIONAL ITEMS**

	30.6.24	30.6.23 as restated
	£	£
Impairment of subsidiary	<u>-</u>	<u>(52,174)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.6.24	30.6.23 as restated
	£	£
Interest payable	189,483	-
Leasing	69,839	79,866
Finance charge	1,758,776	2,276,974
	<u>2,018,098</u>	<u>2,356,840</u>

7. PROFIT BEFORE TAXATION

The profit before taxation is stated after charging/(crediting):

	30.6.24	30.6.23 as restated
	£	£
Leases	62,317	101,307
Depreciation - owned assets	57,947	130,627
Depreciation - assets on finance leases	255,249	308,310
Loss/(profit) on disposal of fixed assets	5,807	(148,500)
Development costs amortisation	477,022	384,556
Auditors' remuneration	45,996	51,210
Taxation compliance services	30,000	37,000
Other non- audit services	10,000	11,000
Foreign exchange differences	16,638	10,748
	<u>1,411,286</u>	<u>1,411,286</u>

8. TAXATION**Analysis of tax (income)/expense**

	30.6.24	30.6.23 as restated
	£	£
Current tax:		
Tax	950,000	1,423,428
Prior year tax overprovision	(1,237,545)	-
Total current tax	<u>(287,545)</u>	<u>1,423,428</u>
Deferred tax	-	10,687
Total tax (income)/expense in income statement	<u>(287,545)</u>	<u>1,434,115</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

8. TAXATION - continued**Factors affecting the tax expense**

The tax assessed for the year is lower (2023 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	30.6.24	30.6.23 as restated
	£	£
Profit before income tax	4,473,930	6,823,849
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2023 - 20.496%)	1,118,483	1,398,616
Effects of:		
Expenses not deductible for tax purposes	28,871	14,211
Depreciation in excess of capital allowances	75,928	136,420
Right-of-use asset depreciation	(17,460)	(70,381)
Group relief	(255,822)	-
Deferred Tax	-	10,687
Research & Development gross expenditure	-	(55,438)
Prior year overprovision	(1,237,545)	-
Tax (income)/expense	(287,545)	1,434,115

9. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been made to reflect the fair value of contingent consideration payable for the acquisition of Willsuite Ltd. and related subsidiaries. As a result, investments have increased by £661,454, with a corresponding increase in short term other creditors. There has been no net impact upon the income statement as a whole.

In addition, a further prior year adjustment has been made to reanalyse £3,357,033 of other creditors which should have been included in long term other creditors rather than short term other creditors. There has similarly been no net impact upon the income statement as a whole.

Finally, during the year, it was noted that the amounts due to a group company and amounts due from a group company were understated in the prior year. An adjustment has been made to increase amounts owed by group undertakings, and amounts owed to group undertakings by £9,269,195. There has been no net impact upon the income statement as a whole.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

10. INTANGIBLE FIXED ASSETS

	Patents and licences £	Development costs £	Totals £
COST			
At 1 July 2023	743,529	1,930,596	2,674,125
Additions	-	282,028	282,028
Impairments	(188,235)	-	(188,235)
At 30 June 2024	<u>555,294</u>	<u>2,212,624</u>	<u>2,767,918</u>
AMORTISATION			
At 1 July 2023	-	719,078	719,078
Amortisation for year	-	477,022	477,022
At 30 June 2024	<u>-</u>	<u>1,196,100</u>	<u>1,196,100</u>
NET BOOK VALUE			
At 30 June 2024	<u>555,294</u>	<u>1,016,524</u>	<u>1,571,818</u>
At 30 June 2023	<u>743,529</u>	<u>1,211,518</u>	<u>1,955,047</u>

11. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION			
At 1 July 2023	2,464,801	521,452	2,986,253
Additions	14,387	100,531	114,918
Disposals	-	(107,322)	(107,322)
Revaluations	(16,501)	-	(16,501)
At 30 June 2024	<u>2,462,687</u>	<u>514,661</u>	<u>2,977,348</u>
DEPRECIATION			
At 1 July 2023	1,871,066	360,438	2,231,504
Charge for year	288,379	24,817	313,196
At 30 June 2024	<u>2,159,445</u>	<u>385,255</u>	<u>2,544,700</u>
NET BOOK VALUE			
At 30 June 2024	<u>303,242</u>	<u>129,406</u>	<u>432,648</u>
At 30 June 2023	<u>593,735</u>	<u>161,014</u>	<u>754,749</u>

Cost or valuation at 30 June 2024 is represented by:

	Fixtures and fittings £	Computer equipment £	Totals £
Cost	<u>2,462,687</u>	<u>514,661</u>	<u>2,977,348</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

12. INVESTMENTS

	Shares in group undertakings £
COST	
At 1 July 2023 and 30 June 2024	47,105,376
NET BOOK VALUE	
At 30 June 2024	47,105,376
At 30 June 2023	47,105,376

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

iLAW Legal Limited

Registered office: 10 John Street, London, England, WC1N 2EB
Nature of business: Dormant

Class of shares:	%
Ordinary £1 Shares	holding 100.00

Following the year end, the company was dissolved on 23rd July 2024. At the time of dissolution, the investment had been fully impaired in the financial statements.

Leap Legal Software (Ireland) Limited

Registered office: 312 House, Sinnottstown Business Park, Drinagh, Wexford
Nature of business: Provision of legal software

Class of shares:	%
Ordinary	holding 100.00

LeapOffice SP z.o.o.

Registered office: ul. Smolensk 29, 31-112 Krakow, Poland
Nature of business: Provision of legal software

Class of shares:	%
Ordinary	holding 100.00

Lawpro Legal Systems Limited

Registered office: Level 1, Regal House, 70 London Road, Twickenham, England TW1 3QS
Nature of business: Provision of legal software

Class of shares:	%
Ordinary	holding 100.00

Rodine Limited

Registered office: Sk House, Sinnottstown Business Park, Drinagh, Wexford, Y35 AKX5, Ireland
Nature of business: Provision of legal software

Class of shares:	%
Ordinary	holding 100.00

Leap Legal Software Ltd doesn't have direct investment in this company, it is a subsidiary of Leap Legal Software (Ireland) Limited.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

12. **INVESTMENTS - continued****Expd8 Ltd**

Registered office: Unit 3 Swords Business Park, Co. Dublin., Swords, Dublin, Ireland

Nature of business: Provision of legal software

	%
Class of shares:	holding
Ordinary	100.00

Leap Legal Software Ltd doesn't have direct investment in this company, it is a subsidiary of Leap Legal Software (Ireland) Limited.

Willsuite Limited

Registered office: Level 1, Regal House, London Road, Twickenham, England, TW1 3QS

Nature of business: Provision of legal software.

	%
Class of shares:	holding
Ordinary	100.00

Solicitors Own Software Limited

Registered office: Orion Gate 1st Floor, Guildford Road, Woking, GU22 7NJ

Nature of business: Provision of legal software

	%
Class of shares:	holding
Ordinary	100.00

Linetime Limited

Registered office: Moorfield House, Moorfield Close, Yeadon, LS19 7YA

Nature of business: Provision of legal software

	%
Class of shares:	holding
Ordinary	100.00

Please see the events after the reporting period note to the financial statements below for details on the transfer of trade and assets of the entity following the year end.

Love Legal Group Limited

Registered office: Level 1, Regal House, London Road, Twickenham, England, TW1 3QS

Nature of business: Provision of legal software

	%
Class of shares:	holding
Ordinary	100.00

Please see the events after the reporting period note to the financial statements below for details on the transfer of trade and assets of the entity following the year end.

Trustsuite Ltd

Registered office: Level 1, Regal House, London Road, Twickenham, England, TW1 3QS

Nature of business: Provision of legal software

	%
Class of shares:	holding
Ordinary	100.00

Please see the events after the reporting period note to the financial statements below for details on the transfer of trade and assets of the entity following the year end.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

12. INVESTMENTS - continued**Transfer of Trade and Assets**

During the year ended 30th June 2024, agreements to transfer the trade and assets of subsidiary undertakings were substantially agreed prior to execution following the year end on 1st July 2024. The details of these transfers are given in the events after the reporting period note detailed below in the financial statements.

The directors do not believe that it would give a true and fair view of the position of LEAP Legal Software Ltd to recognise an impairment in respect of those entities that have ceased trading following the year end. Whilst the underlying structures purchased in the prior year have been changed, the revenue generating and synergistic benefits of the acquisition remain fully under the control of the Company, and are not themselves believed to be indicative of requiring impairment.

13. DEBTORS

	30.6.24	30.6.23 as restated
	£	£
Amounts falling due within one year:		
Trade debtors	107,596	86,039
Amounts owed by group undertakings	6,312,478	1,335,852
Other debtors	896,662	1,969,993
Tax	600,043	-
Prepayments and accrued income	4,753,390	3,957,109
	<u>12,670,169</u>	<u>7,348,993</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	5,570,036	5,654,861
Other debtors	13,734,417	13,800,132
	<u>19,304,453</u>	<u>19,454,993</u>
Aggregate amounts	<u>31,974,622</u>	<u>26,803,986</u>

The company has a non-current loan receivable from LEAP Legal Software (Ireland) Limited for £5,570,036. The loan has an expiry date of 1st June 2029, and is accruing interest at a rate of 5% per annum.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.24	30.6.23 as restated
	£	£
Leases (see note 16)	242,944	296,068
Trade creditors	88,419	251,221
Amounts owed to group undertakings	61,317,781	45,449,940
Tax	-	637,503
Social security and other taxes	328,625	345,415
VAT	1,308,713	628,127
Other creditors	2,010,017	2,607,968
Accruals and deferred income	6,054,435	12,593,327
Accrued expenses	555,166	547,026
	<u>71,906,100</u>	<u>63,356,595</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	30.6.24	30.6.23 as restated		
	£	£		
Leases (see note 16)	112,593	352,732		
Other creditors	1,642,540	3,357,033		
Accrued and Deferred income	210,238	4,919,680		
	<u>1,965,371</u>	<u>8,629,445</u>		
16. FINANCIAL LIABILITIES - BORROWINGS	30.6.24	30.6.23 as restated		
	£	£		
Current:				
Leases (see note 17)	<u>242,944</u>	<u>296,068</u>		
Non-current:				
Leases (see note 17)	<u>112,593</u>	<u>352,732</u>		
Terms and debt repayment schedule				
	1 year or less £	1-2 years £	2-5 years £	Totals £
Leases	<u>242,944</u>	<u>63,913</u>	<u>48,680</u>	<u>355,537</u>
17. LEASING				
Right-of-use assets				
Tangible fixed assets				
	30.6.24	30.6.23 as restated		
	£	£		
COST OR VALUATION				
At 1 July 2023	2,106,795	1,997,220		
Additions	-	161,298		
Revaluations	(16,501)	(51,723)		
	<u>2,090,294</u>	<u>2,106,795</u>		
DEPRECIATION				
At 1 July 2023	1,568,064	1,259,754		
Charge for year	255,249	308,310		
	<u>1,823,313</u>	<u>1,568,064</u>		
NET BOOK VALUE	<u>266,981</u>	<u>538,731</u>		

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

17. **LEASING - continued****Other leases**

	30.6.24	30.6.23 as restated
	£	£
Short-term leases	62,317	101,307
	<u> </u>	<u> </u>

Lease liabilities

Minimum lease payments fall due as follows:

	30.6.24	30.6.23 as restated
	£	£
Gross obligations repayable:		
Within one year	266,199	366,389
Between one and five years	120,281	386,230
	<u> </u>	<u> </u>
	386,480	752,619
	<u> </u>	<u> </u>
Finance charges repayable:		
Within one year	23,255	70,321
Between one and five years	7,688	33,498
	<u> </u>	<u> </u>
	30,943	103,819
	<u> </u>	<u> </u>
Net obligations repayable:		
Within one year	242,944	296,068
Between one and five years	112,593	352,732
	<u> </u>	<u> </u>
	355,537	648,800
	<u> </u>	<u> </u>

18. **PROVISIONS FOR LIABILITIES**

	30.6.24	30.6.23 as restated
	£	£
Deferred tax	40,579	40,579
	<u> </u>	<u> </u>
		Deferred tax
		£
Balance at 1 July 2023		40,579
		<u> </u>
Balance at 30 June 2024		40,579
		<u> </u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	30.6.24	30.6.23
Number:	Class:		£	as restated £
1,479,543	Ordinary	£0.01	<u>14,795</u>	<u>14,795</u>

All shares carry full and equal rights to participate in voting in all circumstances, in dividends and in capital distributions, whether on a winding up or otherwise. The shares are not redeemable.

20. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 July 2023	5,518,355	171,840	5,690,195
Profit for the year	4,761,475		4,761,475
	<u>10,279,830</u>	<u>171,840</u>	<u>10,451,670</u>

21. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption to disclose related party transactions entered into between two or more members of a group, as the subsidiaries which are party to these transactions are wholly owned by a member of the group.

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

<u>Related Party</u>		<u>Recharge/sale to related parties</u> £	<u>Recharge/purchases from related parties</u> £	<u>Amounts owed by related parties</u> £	<u>Amounts owed to related parties</u> £
Feeewise Payments Europe Limited	2024	61,236	-	-	-
	2023	10,042	-	10,042	-
LEAP USA	2024	414,596	-	38,210	-
	2023	392,585	-	36,121	-
LEAP Canada	2024	470,711	-	38,794	-
	2023	723,348	-	88,728	-
DivorceMate	2024	235,785	-	19,710	-
	2023	188,658	-	34,186	-
ByLawyers Pty Ltd	2024	514,871	279,451	310,901	-
	2023	425,181	238,438	75,480	-

Sales to, and purchases from related parties are made in arm's length transactions both at normal market rates, and on normal commercial terms. Outstanding balances at year-end are unsecured and interest free.

The Company has a non-current loan receivable from LEAP USA for £13,671,739. The loan has an expiry date of 1st July 2031, and is accruing interest at a rate of 5% per annum.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 30 June 2024

22. **EVENTS AFTER THE REPORTING PERIOD**

Following the year end, the following transfers of trade and assets took place in relation to subsidiary undertakings of the Company:

Linetime Limited

The trade and assets of Linetime Limited were transferred to Solicitors Own Software Limited, a fellow subsidiary undertaking of LEAP Legal Software Ltd on 1st July 2024. This transaction represented a transfer of the business as a going concern.

Love Legal Group Ltd

The trade and assets of Love Legal Group Ltd were transferred to Willsuite Ltd., a fellow subsidiary undertaking of LEAP Legal Software Ltd on 1st July 2024. This transaction represented a transfer of the business as a going concern.

Trustsuite Ltd

The trade and assets of Trustsuite Ltd were transferred to Willsuite Ltd., a fellow subsidiary undertaking of LEAP Legal Software Ltd on 1st July 2024. This transaction represented a transfer of the business as a going concern.

23. **CONTROLLING PARTY**

The ultimate controlling party is C M Beck.

The immediate parent company is Leap Legal Software UK Holdings Limited, a company incorporated in England and Wales.

The smallest group to consolidate the results and financial position of the company is Legal Software Holdings Pty Ltd. Copies of the Legal Software Holdings Pty Ltd are publicly available and can be obtained from the Australian Securities & Investments Commission (ASIC), at asic.gov.au or from the registered office Level 11, 207 Kent Street, Sydney, 2000, NSW, Australia.

The largest group to consolidate the results and financial position of the company is the ultimate parent company, ATI Global Limited. Copies of the ATI Global Limited financial statements are publicly available and can be obtained from the Australian Securities & Investments Commission (ASIC), at asic.gov.au or from the ATI Global Limited registered office Level 8, 135 King Street, Sydney, 2000, NSW, Australia.

24. **SECURED DEBTS**

There is a fixed charge over the Investments and Related Rights arising in relation to the acquisition of TrustSuite Ltd, Love Legal Group Ltd, and WillSuite Ltd. in the prior year.

There is a debenture in favour of Global Loan Agency Services Australia Nominees Pty Limited over all assets and undertakings of the company, in relation to a Deed of Accession. Legal Software Pty Ltd has a A\$435m term loan B (TLB) which is secured by a charge over LEAP Legal Software UK Holdings Limited and all its subsidiaries. The TLB is a 5-year facility, maturing in 2027.

25. **FIRST YEAR ADOPTION**

The company has transitioned from EU-adopted IFRS to FRS 101, and therefore there have been no material amendments to the financial statements arising as a result of this transition.

Accordingly, no reconciliation of equity nor reconciliation of profit or loss is presented in these financial statements.

COMPANY NUMBER:
08802975

**ATI GLOBAL LIMITED
AND ITS CONTROLLED ENTITIES**
ACN 634 158 204

**CONSOLIDATED GENERAL PURPOSE (SDS) FINANCIAL
STATEMENTS**
For the year ended 30 June 2024



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Directors' Report

The Directors present their Report together with the Consolidated Financial Statements of ATI Global Limited ("the Company") and its controlled entities (collectively "the Group") for the year ended 30 June 2024.

DIRECTORS

The following were the Directors of the Company during or since the end of the financial year and up to the date of this report:

Christian Beck
 John Ahern (Ceased date: 10/10/2023)
 Stephen Wood
 Marcus Fletcher
 Phillipa Downes
 Craig Farrow
 Chris Champion

COMPANY SECRETARIES

Antonio Ghiazza

DIVIDENDS

Dividends declared and paid in the financial year was \$16,331,973 (2023: \$410,000).

In financial year 2023, the Group demerged Commercial Credit Group. Refer to Note 29 for further details on demerger distribution. There weren't any similar distributions in FY2024.

CORPORATE INFORMATION

ATI Global Limited is an unlisted public company that is incorporated and domiciled in Australia.

The registered office and principal place of business of the Company is Level 8, 135 King Street, Sydney NSW 2000.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the financial year were:

- a) the provision of a proprietary SaaS (software as a service) platform to allow clients to search and analyse property, company and personal information from a range of different government entities, corporates and other information providers;
- b) the provision of legal & banking settlement services;
- c) the provision of practice management and document automation software to small and medium law firms, and;
- d) the provision of court filing services

There were no significant changes in the nature of the activities of the Group during the year.

REVIEW OF OPERATIONS

During the year, the Group continued to engage in its principal activity. The results are disclosed in the attached financial statements.

OPERATING AND FINANCIAL REVIEW

	2024	2023
	<u>\$ 000's</u>	<u>\$ 000's</u>
Operating results for the year		
Total comprehensive loss of the Group for the year ended was:	(204,226)	(176,934)

Directors' Report (continued)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year.

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

There have been no significant events occurring after the balance sheet date which may affect either the Group's operations or results of those operations or Group's state of affairs.

LIKELY DEVELOPMENTS

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the economic entity.

ENVIRONMENTAL REGULATION

The Group is not subject to any particular or significant environmental regulation under laws of the any jurisdiction in which it operates.

SHARE OPTIONS

ATI US Inc., a subsidiary of the Group has issued 14,605,525 options to US-based employees under the ATI US Equity Incentive Plan. These options have a weighted average exercise price of US\$1 and expire in 2032.

INDEMNIFICATION AND INSURANCE OF DIRECTORS/OFFICERS AND AUDITORS

The Group has paid the premium for Directors and Officers liability insurance in respect of Directors/Officers of the Group as permitted by the Corporations Act 2001. The terms of the policy prohibit disclosure of details of the insurance cover and premium. The auditors of the Group are indemnified out of the assets of the Group.

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during the year ended 30 June 2024.

ROUNDING

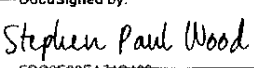
The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) except when otherwise indicated under the option available to the company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

AUDITOR INDEPENDENCE

The directors received an independence declaration from the auditor, Ernst & Young. A copy has been included on page 4 of the report.

This report is made in accordance with a resolution of directors pursuant to section 298(2) of the Corporations Act 2001.

Signed in accordance with a resolution of the directors.

DocuSigned by:

F0E0E03EA71C403
Executive Chairman/Director
Stephen Wood

DocuSigned by:

BD9AE7307D19469
Director
Christian Beck



Building a better
working world

Ernst & Young
Global Limited

Ernst & Young
Global Limited

Auditor's Independence Declaration to the Directors of ATI Global Limited

As lead auditor for the audit of the financial report of ATI Global Limited for the financial year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of ATI Global Limited and the entities it controlled during the financial year.

Ernst & Young

John Robinson
Partner
29 October 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Continuing operations			
Revenue from contracts with customers	4	1,079,990	883,933
Expenses			
Cost of sales	4	(403,882)	(352,924)
Staff costs		(306,980)	(260,197)
Marketing costs		(15,787)	(14,764)
Occupancy costs		(3,336)	(2,316)
Office costs		(32,689)	(26,946)
Professional fees		(15,055)	(24,721)
Depreciation & amortisation	4	(164,538)	(141,225)
Other operating expenses	5	(26,364)	(24,156)
Operating profit		111,359	36,684
Finance costs	23	(366,812)	(308,745)
Finance income		24,165	18,297
Other (loss)/gain		(6,089)	(1,207)
Change in fair value of financial derivative		(1,217)	18,594
Share of loss of associate and a joint venture		(10,574)	(15,169)
Profit/(loss) before tax from continuing operations		(249,168)	(251,546)
Income tax (expense)/benefit	6(a)	42,272	(6,731)
Profit/(loss) after tax from continuing operations		(206,896)	(258,277)
Gain on demerger	29	-	81,810
Profit for the year from discontinued operations	29	-	348
Profit/(loss) after tax for the year		(206,896)	(176,119)
Other comprehensive income			
Exchange differences on translation of foreign operations		2,670	(818)
Other comprehensive income/(loss) for the year, net of tax		2,670	(818)
Total comprehensive income/(loss) for the year, net of tax		(204,226)	(176,937)
Total comprehensive income/(loss) for the period is attributable to:			
Equity holders of the parent		(202,620)	(175,361)
Non-controlling interests		(1,606)	(1,576)
		(204,226)	(176,937)

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

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	7	162,045	200,262
Trade and other receivables	8	122,814	114,664
Other assets	9	37,735	32,576
Income tax receivable		10,497	6,948
Total current assets		333,092	354,450
Non-current assets			
Derivative asset	26(a)	47,461	50,545
Right-of-use assets	10	12,924	15,909
Property, plant and equipment	11	6,476	6,221
Intangible assets	12	1,794,894	1,857,899
Deferred tax assets	6(b)	60,324	32,831
Investment in associates and a joint venture	13	20,974	22,048
Other assets		146,205	145,124
Total non-current assets		2,089,258	2,130,577
Total assets		2,422,349	2,485,027
Liabilities			
Current liabilities			
Trade and other payables	14	98,154	110,869
Provisions	15	22,524	29,893
Lease liabilities	10	7,499	6,788
Contract liabilities	16	28,278	51,286
Interest-bearing loans and borrowings	17	10,366	11,768
Total current liabilities		166,821	210,604
Non-current liabilities			
Provisions	15	16,790	20,430
Lease liabilities	10	8,896	12,829
Contract liabilities	16	-	-
Interest-bearing loans and borrowings	17	2,714,576	2,505,384
Deferred tax liabilities	6(c)	94,218	113,363
Total non-current liabilities		2,834,480	2,652,006
Total liabilities		3,001,301	2,862,610
Net assets		(578,952)	(377,583)
Equity			
Issued capital	18	2,135,823	2,130,542
Other reserves	26(b)	(2,155,111)	(2,164,231)
Share-based payments reserve		5,457	3,339
Foreign currency translation reserve		(187)	(2,857)
(Accumulated losses)/Retained earnings		(571,392)	(352,440)
Equity attributable to equity holders of the parent		(585,410)	(385,647)
Non-controlling interests		6,458	8,064
Total equity		(578,952)	(377,583)

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Issued capital \$'000	(Accumulated losses)/Retained earnings \$'000	Foreign currency translation reserve \$'000	Share-based payments reserve \$'000	Other equity \$'000	Non- controlling interests \$'000	Total equity \$'000
At 1 July 2023	2,130,542	(352,440)	(2,857)	3,339	(2,164,231)	8,064	(377,583)
Profit/(loss) after tax from continuing operations	-	(202,620)	-	-	-	(1,606)	(204,226)
Hedge reserve	-	-	-	-	9,120	-	9,120
Share-based payments (Note 30)	-	-	-	2,118	-	-	2,118
Exchange differences on translation of foreign operations	-	-	2,670	-	-	-	2,670
Share issue	5,281	-	-	-	-	-	5,281
Dividends paid/payable	-	(16,332)	-	-	-	-	(16,332)
At 30 June 2024	2,135,823	(571,392)	(187)	5,457	(2,155,111)	6,458	(578,951)
	Issued capital \$'000	(Accumulated losses)/Retained earnings \$'000	Foreign currency translation reserve \$'000	Share-based payments reserve \$'000	Other equity \$'000	Non- controlling interests \$'000	Total equity \$'000
At 1 July 2022	2,233,277	(176,485)	(2,039)	-	(2,140,579)	11,354	(74,472)
Profit/(loss) for the year	-	(175,358)	-	-	-	(1,576)	(176,934)
Shareholders' equity reduction on demerger of Commercial Credit Holdings Pty Ltd (Note 29)	(102,735)	-	-	-	(27,974)	-	(130,709)
Hedge reserve	-	-	-	-	4,322	-	4,322
Share-based payments	-	-	-	3,339	-	-	3,339
Payments to non-controlling interests	-	-	-	-	-	-	-
Dilution of non-controlling interests	-	-	-	-	-	(8,134)	(8,134)
Non-controlling interests arising on business combinations	-	(187)	-	-	-	187	-
Exchange differences on translation of foreign operations	-	-	(818)	-	-	6,233	5,415
Dividends paid/payable	-	(410)	-	-	-	-	(410)
At 30 June 2023	2,130,542	(352,440)	(2,857)	3,339	(2,164,231)	8,064	(377,583)

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

Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Operating activities			
Receipts from customers		1,156,830	954,213
Payments to suppliers and employees		(924,799)	(787,438)
Interest received		4,794	1,864
Interest paid (lease liabilities)	10	(1,509)	(1,620)
Income tax paid (net of refunds)		(6,554)	(22,022)
Net cash flows from operating activities	29	228,762	144,997
Investing activities			
Purchase of property, plant and equipment	11	(3,515)	(2,561)
Purchase of intangible assets	12	(87,186)	(77,264)
Investment in associates & joint venture	13	(9,500)	(19,529)
Net cash assets demerged - Commercial Credit Group		-	(10,194)
Acquisition of non-controlling interest		-	(9,512)
Acquisition of subsidiaries, net of cash		(18,250)	(332,497)
Net cash flows used in investing activities		(118,451)	(451,557)
Financing activities			
Net proceeds to Term Loan B (new)		-	426,300
Repayment of Term Loan B		(10,366)	(9,462)
Payment of principal portion of lease liabilities		(8,653)	(7,649)
Repayment of loan from non-controlling interest shareholders		(1,402)	-
Dividends paid		(16,332)	-
Proceeds from share issuance		5,281	-
Borrowing costs paid		(117,056)	(96,500)
Net cash flows from financing activities		(148,528)	312,689
Net (decrease) / increase in cash and cash equivalents		(38,217)	6,129
Cash and cash equivalents at 1 July		200,262	194,133
Cash and cash equivalents at 30 June	7	162,045	200,262

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

1 CORPORATE INFORMATION

The consolidated financial report of ATI Global Limited (“the Company”) and its subsidiaries (collectively, the Group) for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the directors on 29 October 2024

The company was incorporated on 17th June 2019 and is an unlisted public company incorporated and domiciled in Australia.

Further information on the nature of the operations and principal activities of the Group is provided in the directors’ report.

Information on the Group’s structure is provided in Note 22 . Information on other related party relationships of the Group is provided in Note 27.

2 SUMMARY OF ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standards – Simplified Disclosures and other authoritative pronouncements of the Australian Accounting Standards Board. The Group is a for-profit entity for the purposes of preparing these consolidated financial statements. The Financial report has been prepared in accordance with AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The consolidated financial statements have been prepared on a historical cost basis, except for investment properties, certain office properties (classified as property, plant and equipment), derivative financial instruments, debt and equity financial assets and contingent consideration that have been measured at fair value.

(b) Rounding

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$’000) except when otherwise indicated under the option available to the company under ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- i) Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- ii) Exposure, or rights, to variable returns from its involvement with the investee
- iii) The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- i) The contractual arrangement(s) with the other vote holders of the investee
- ii) Rights arising from other contractual arrangements
- iii) The Group’s voting rights and potential voting rights

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 SUMMARY OF ACCOUNTING POLICIES (continued)

(c) Basis of consolidation (continued)

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(d) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs with the exception of transfer taxes are expensed as incurred and included in other operating expenses. Transfer taxes like stamp duty are capitalised as part of investment cost on the statement of financial position.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date.

Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of AASB 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with AASB 9. Other contingent consideration that is not within the scope of AASB 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 SUMMARY OF ACCOUNTING POLICIES (continued)

(d) Business combinations and goodwill (continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(e) Going concern

The Directors believe the Group will be able to continue as a going concern and, as a consequence, the financial report has been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 30 June 2024, the Group had a net asset deficiency position of \$579m and as of that date, the consolidated entity had a net cash inflow from operations of \$229m (2023: \$145m) and a net current asset position of \$166m (2023: \$144m).

The Directors note the following items in particular:

- the board approved forecast for FY25 is EBITDA and cashflow positive;
- the Group has historically funded its acquisitions via debt raisings from institutional, sophisticated investors. These loans which make the majority of the liabilities on the balance sheet are long term (5 years plus);
- the Group historically has had no issues in servicing the long term debt given positive cashflows from operations;
- the PIK facility has a 8.5 year term with no principal or interest repayment till maturity in 2030;
- the Group will apply for extension or refinance the above facilities in advance of respective maturity dates.

Having regard to the above factors, the Directors have concluded that these are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due. On this basis the financial report has been prepared on a going concern basis.

(f) Comparatives

The consolidated financial statements provide comparative information in respect of the previous period. Certain numbers of prior period have been reclassified to be consistent with the current year's disclosure presentation.

(g) Investment in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 SUMMARY OF ACCOUNTING POLICIES (continued)

(g) Investment in associates and joint ventures (continued)

The statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(h) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- (i) Expected to be realised or intended to be sold or consumed in the normal operating cycle
- (ii) Held primarily for the purpose of trading
- (iii) Expected to be realised within twelve months after the reporting period, or
- (iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in the normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 SUMMARY OF ACCOUNTING POLICIES (continued)

(i) Income tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- (i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 SUMMARY OF ACCOUNTING POLICIES (continued)

(i) Income tax (continued)

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it reflects new information obtained about facts and circumstances that exist at the acquisition date that, if known, would have affected the amount recognised at that date where recognised during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Australian Tax consolidation

ATI Global Limited and its wholly-owned Australian controlled entities are part of the tax consolidated group.

The head entity, ATI Global Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group. In the US, the Group has 2 tax consolidated Groups for the respective Legal Search and Legal Software entities. There is no consolidated tax Group in the UK, however sister entities with a common ownership of more than 70% are able to utilise losses amongst themselves. This is commonly known as 'group loss relief'.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the Group.

(j) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax, except:

- (i) When the Sales tax incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the sales tax is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable.
- (ii) When receivables and payables are stated with the amount of sales tax included

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Commitments and contingencies are disclosed net of the amount of sales tax recoverable from, or payable to, the Taxation Authority.

Cash flows are included in the statement of cash flows on a gross basis and the sales tax component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(k) Leases

i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are also subject to impairment assessment.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 SUMMARY OF ACCOUNTING POLICIES (continued)

(k) Leases (continued)

ii) Lease liabilities

At the commencement of a lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Group applies a recognition exemption to leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies a recognition exemption to leases that are considered of low value. Lease payments from short-term and low-value leases are recognised as expense on a straight-line basis over the lease term.

iv) Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

After initial recognition, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew.

(l) Revenue from contracts with customers

The Group is in the business of providing property, company and personal information reports from a range of different government entities, corporates and other information providers as well as the sale of software for small and medium law firms. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

To determine whether to recognise revenue under AASB 15, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Revenue from Legal Search reports

The performance obligation for online search and company registrations is the delivery of respective reports to customers while for settlement revenue it is the provision of settlement services. Performance obligation for court filings and service of process is the provision of those services.

Revenue is recognised when online search and registration orders are complete and settlement revenue is recognised on completion of the settlement. Revenue from court filing or the service of process is recognized at a point in time upon completion of the filing or the service of process.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 SUMMARY OF ACCOUNTING POLICIES (continued)

(l) Revenue from contracts with customers (continued)

Revenue from Legal Software - Practice Management Software

Revenue from software sales are bundled together with the sale of support services, implementation transition services and the provision of legal precedents content.

The Group assessed that there are three performance obligations; provision of software license & support services, implementation transition services and provision of legal content.

Where the Group provides proprietary legal SaaS (software as a service) platform, revenue is recognised over the term of the contract while the provision of traditional on-server software is recognised upfront. Support services and the provision of legal content are recognised over the term of the contract. Revenue from implementation transition services are recognised on completion of the transition service.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position.

Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

(m) Foreign currencies

The Group's consolidated financial statements are presented in Australian dollars, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

ii) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into Australian dollars at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 SUMMARY OF ACCOUNTING POLICIES (continued)

(n) Cash dividend

The Company recognises a liability to pay a dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity. As per the corporate laws of Australia, a distribution is authorised when it is approved by the shareholders.

(o) Property, plant and equipment

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

Depreciation on property, plant and equipment is calculated using the following methods and rates to allocate their cost or deemed cost, net of their residual values, over their estimated useful lives, as follows:

Leasehold improvements	Straight line	Lease term
Plant and equipment	Straight line	2-5 years
Motor vehicles	Straight line	8 years
Furniture, fixtures and fittings	Straight line	5-20 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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

Gains or losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

(p) Borrowing costs

Borrowings are recognised initially at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of the loan facility is recognised as transaction costs of the loan. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(q) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed as either finite or indefinite.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 SUMMARY OF ACCOUNTING POLICIES (continued)

(q) Intangible assets (continued)

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss.

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised over the period of expected future benefit. During the period of development, the asset is tested for impairment annually.

Computer software licenses

Computer software licences are capitalised on the basis of the cost incurred to acquire and install the specific software.

Client Lists

Client lists and relationships are the assessed values of the customer contracts for supply of goods and services that exist at the date of acquisition. A discounted cash flow valuation methodology is used, including consideration of historic customer retention and projected future cash flows.

Data Sets

The Group capitalises costs incurred relating to storable data purchases. Costs are capitalised when control is established, and it is probable that future economic benefit arise.

Development costs

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model.

A summary of the policies applied to the Group's intangible assets is, as follows:

	<i>Acquired software</i>	<i>Development costs</i>	<i>Client Lists</i>	<i>Data Sets</i>
<i>Useful lives</i>	Up to 25 years	4 years	Up to 10 years	Up to 4 years
<i>Amortisation method</i>	Straight-line basis over useful life	Straight-line basis over 4 years	Straight-line basis over useful life	Straight-line basis over useful life
<i>Internally generated or acquired</i>	Acquired	Internally generated	Acquired	Acquired

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 SUMMARY OF ACCOUNTING POLICIES (continued)

(r) Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under AASB 15. Refer to the accounting policies in section (k) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- i) Financial assets at amortised cost (debt instruments)
- ii) Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- iv) Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- i) The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows

And

- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and other assets including prepayments.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 SUMMARY OF ACCOUNTING POLICIES (continued)

(r) Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Financial assets at fair value through OCI (debt instruments)

The Group measures debt instruments at fair value through OCI if both of the following conditions are met:

- i) The financial asset is held within a business model with the objective of both holding to collect contractual
And
- ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or
At June 2024 (2023: Nil) the Group has not designated any debt instruments at fair value through OCI.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments and non-listed equity investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends from non-listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

The rights to receive cash flows from the asset have expired or;

The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 SUMMARY OF ACCOUNTING POLICIES (continued)

(r) Financial instruments – initial recognition and subsequent measurement (continued)

i) Financial assets (continued)

Derecognition (continued)

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due unless there are contractual payment arrangements for amounts owed over 90 days. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 SUMMARY OF ACCOUNTING POLICIES (continued)

(r) Financial instruments – initial recognition and subsequent measurement (continued)

ii) Financial liabilities (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by AASB 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost (loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(s) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use.

The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 SUMMARY OF ACCOUNTING POLICIES (continued)

(s) Impairment of non-financial assets (continued)

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised.

The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Goodwill is tested for impairment annually in June and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

(t) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(u) Share-based payments

Under the ATI US Inc. 2022 Equity Incentive Plan, share options of ATI US Inc. (a subsidiary of the Parent) are issued to US-based employees. Employees must remain in service for a period of four years from the date of grant in order for the share options to vest although 25% of the options vests at Year 1. The fair value of share options granted is estimated at the date of grant using a Black-Scholes option pricing model, taking into account the terms and conditions on which the share options were granted. The grant expires in 2032 and there are no cash settlement alternatives for employees.

(v) Hedging activities and derivatives

The Group obtains pay-fixed receive-float cross-currency interest rate swap as required. For further information on hedging activities and derivatives refer to Note 26a.

There is no ineffectiveness recognised in profit or loss.

(w) Provisions

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

2 SUMMARY OF ACCOUNTING POLICIES (continued)

Long service leave and annual leave

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

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the requirements for revenue recognition.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Revenue from contracts with customers

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

Identifying performance obligations

Revenue from software sales are bundled together with the sale of support services, implementation transition services and the provision of legal precedents content. The Group determined that there are three performance obligations in a contract for bundled sales of software license, transition services and provision of legal precedents content because its promises to provide the services are capable of being distinct and separately identifiable. Performance obligation for online search and company registrations is the delivery of respective reports to customers while for settlement revenue it is the provision of settlement services.

Determining the timing of satisfaction of software sales and services

Where the Group provides proprietary legal SaaS (software as a service) platform, revenue is recognised over the term of the contract while the provision of traditional on-device software is recognised upfront. Support services and the provision of legal content are recognised over the term of the contract in line with the satisfaction of performance obligations under the contract.

The Group determined that the over a period of time measure for SaaS platform, support services and provision of legal precedents content is most appropriate because the software and legal precedents content are provided continuously while for support customers can log in or call helpdesk when they like over the fixed time period.

Principal versus agent considerations

The Group has determined that it has control over the services it provides given it is able to direct the use of and obtain substantially all of the remaining benefits from the service and is the entity that is primarily responsible for fulfilling the promise to provide the service.

The Group also has discretion in establishing the price for the services.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Determining the lease term of contracts with renewal and termination options – Group as lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g. construction of significant leasehold improvements or significant customisation to the leased asset). The Group included the renewal period as part of the lease term for leases of plant and machinery with shorter non-cancellable period (i.e., three to five years). Refer to Note 10 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and contract assets is disclosed in Note 8.

Taxes

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group estimates the IBR using observable inputs when available and is required to make certain entity-specific estimates.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Contingent consideration, resulting from business combinations, is valued at fair value at the acquisition date as part of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on discounted cash flows. The key assumptions take into consideration the probability of meeting each performance target and the discount factor.

Development costs

The Group capitalises costs for product development projects. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project and the expected period of benefits. At 30 June 2024, the carrying amount of capitalised development costs was \$164,733k (2023: \$121,802k).

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the value of the underlying shares, expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. For the measurement of the fair value of equity-settled transactions with employees at the grant date, the Group uses a Black-Scholes model.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

3a NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2023. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates and AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

The amendments to AASB 1060 and AASB Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to AASB 108 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments to AASB 112 Income Taxes narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules and AASB 2023-4 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules: Tier 2 Disclosures

The amendments to AASB 112 and AASB 1060 have been introduced in response to the OECD's BEPS Pillar Two rules and include: A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation. The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023. These amendments had no impact on the consolidated financial statements of the Group.

	2024 \$ (000's)	2023 \$ (000's)
4 Revenue from contracts with customers - continuing operations		
Legal Search - Search reports	751,594	616,108
Legal Software - Practice Management	328,396	267,825
	<u>1,079,990</u>	<u>883,933</u>
Cost of sales - continuing operations		
Legal Search - Search & decisioning reports	378,850	330,960
Legal Software - Practice Management	25,032	21,964
	<u>403,882</u>	<u>352,924</u>
Depreciation & amortisation		
Depreciation of property, plant & equipment	3,024	3,107
Amortisation of finite life intangibles	153,602	130,402
Amortisation of Right-of-use assets	7,912	7,716
	<u>164,538</u>	<u>141,225</u>

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

5 Expenses	Consolidated	
	2024 \$ (000's)	2023 \$ (000's)
Other operating expenses		
Travel and entertainment costs	11,355	10,063
Other costs	15,008	14,093
	<u>26,364</u>	<u>24,156</u>
6 Income tax		
<i>a) Income tax expense</i>		
Income tax expense is comprised of:		
Current income tax	4,513	7,392
Deferred income tax	(45,196)	(935)
Adjustment recognised for prior periods	(1,589)	274
Income tax (benefit)/expense reported in the statement of profit or loss	<u>(42,272)</u>	<u>6,731</u>
Profit/(loss) before income tax from continuing operations	(249,168)	(169,388)
Income tax calculated at 30%	(74,750)	(51,069)
<i>Add tax effect of:</i>		
Difference in tax rate of foreign operations	6,312	7,095
Non deductible permanent differences	46,122	12,509
Under/over provision in prior years	(2,452)	274
Research & Development tax offset	5,900	5,181
Unrealised capital loss of equity accounted investments	3,172	4,551
Deferred tax not raised on tax losses	(3,279)	9,375
State taxes (US)	(6,612)	1,068
Recognition of deferred tax on prior year unrecognised losses	(34,628)	-
Change in valuation allowance	16,298	9,187
Other	1,645	8,560
Income tax (benefit)/expense	<u>(42,272)</u>	<u>6,731</u>

b) Deferred tax asset

2024	Opening balance \$ (000's)	Recognised in Business Combination \$ (000's)	Recognised in equity \$ (000's)	Recognised in Profit and Loss \$ (000's)	Closing Balance \$ (000's)
Employee entitlements	4,355	-	-	701	5,056
Make good provision	(170)	-	-	327	157
Borrowing costs	4,679	-	-	(1,378)	3,301
Capital expenditure deductions	1,282	-	-	(997)	285
Doubtful debts	188	-	-	(10)	178
Lease liability	5,971	-	-	(1,071)	4,900
Tax losses carried forward	2,282	-	-	29,892	32,174
Other	14,244	-	-	29	14,273
	<u>32,831</u>	<u>-</u>	<u>-</u>	<u>27,493</u>	<u>60,324</u>

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

6 Income tax (continued)

b) Deferred tax asset (continued)

	Opening balance	Recognised in Business Combination	Recognised in equity	Recognised in Profit and Loss	Closing Balance
	\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)
2023					
Employee entitlements	4,258	-	-	97	4,355
Make good provision	(18)	-	-	(152)	(170)
Borrowing costs	4,942	-	-	(263)	4,679
Capital expenditure deductions	2,234	-	-	(952)	1,282
Doubtful debts	301	-	-	(113)	188
Lease liability	7,905	-	-	(1,934)	5,971
Tax losses carried forward	5,196	-	-	(2,914)	2,282
Other	7,829	-	-	6,415	14,244
	32,647	-	-	184	32,831

c) Deferred tax liability

	Opening balance	Recognised in Business Combination	Recognised in equity	Recognised in Profit and Loss	Closing Balance
	\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)
2024					
Deferred commission costs	(215)	-	-	(1,076)	(1,291)
PP&E and Leasehold	(5,054)	-	-	1,098	(3,956)
Intangibles	(87,116)	-	-	16,164	(70,952)
Right-of-use assets	(4,753)	-	-	900	(3,853)
Derivative asset	(15,164)	-	560	365	(14,239)
Other	(1,061)	-	-	1,134	73
	(113,363)	-	560	18,585	(94,218)

	Opening balance	Recognised in Business Combination	Recognised in equity	Recognised in Profit and Loss	Closing Balance
	\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)
2023					
Deferred commission costs	(202)	-	-	(13)	(215)
PP&E and Leasehold	(2,696)	-	-	(2,358)	(5,054)
Intangibles	(77,595)	(24,120)	-	14,599	(87,116)
Current liabilities	(6,731)	-	-	1,978	(4,753)
Derivative asset	(9,723)	-	-	(5,441)	(15,164)
Other	(990)	-	-	(71)	(1,061)
	(97,937)	(24,120)	-	8,694	(113,363)

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

6 Income tax (continued)

	Consolidated	
	2024	2023
	\$	\$
<i>d) Franking credits</i>		
Franking credit balance	40,691	7,077,193

7 Cash and cash equivalents

	\$ (000's)	\$ (000's)
Cash at bank and on hand	153,848	195,094
Short-term deposits	8,198	5,168
	162,045	200,262

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

8 Trade and other receivables

Current

Trade receivables	75,632	53,951
Other receivables	16,901	33,748
Contract asset	32,228	28,468
Allowance for expected credit losses	(1,947)	(1,504)
	122,814	114,664

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Contract assets

As at 30 June, the Group has the following contract assets under AASB 15:

Current:

Unbilled revenue - Legal Search	32,228	28,468
	32,228	28,468

Set out below is the movement in the allowance for expected credit losses of trade receivables and contract assets:

As at 1 July	Note	1,504	2,305
Acquired through business combination		-	56
Provision for expected credit losses		1,114	(442)
Write-off		(671)	(415)
As at 30 June	26	1,947	1,504

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

	2024	2023
	\$ (000's)	\$ (000's)
9 Other assets		
Prepayments	22,824	25,052
Other assets	14,912	7,524
	37,735	32,576

10 Right-of-use assets and lease liabilities

	Right-of-use assets	Lease liabilities
Balance at 1 July 2023	15,909	(19,617)
Additions	4,329	(4,405)
Lease modification	459	(528)
Amortisation	(7,912)	-
Cash payments	-	10,162
Accretion interest	-	(1,509)
Exchange differences	139	(498)
Balance 30 June 2024	12,924	(16,395)

Lease liabilities are represented by:

	2024	2023
Current	(7,499)	(6,788)
Non-current	(8,896)	(12,829)
	(16,395)	(19,617)

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	7,912	7,716
Interest expense on lease liabilities	1,509	1,620
Expense relating to short-term leases and leases of low-value assets	2,290	1,111
Variable lease payments	1,022	1,370
Total amount recognised in profit or loss	12,733	11,817

The Group had total cash outflows for leases of \$12,732k in 2024 (2023: \$11,631k).

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (see Note 3).

There are no undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

11 Property, plant and equipment

	Leasehold Improvements	Plant & Equipment	Furniture & fixtures	Motor vehicles	Total
	\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)
Gross carrying amount					
Balance 1 July 2023	4,145	13,504	9,821	1,063	28,534
Prior year reclassifications	815	1,302	(1,274)	9	852
Additions	383	1,952	597	583	3,515
Disposals	(144)	(3,005)	(1,102)	(403)	(4,655)
Exchange differences	13	(32)	168	(8)	141
Balance 30 June 2024	5,212	13,721	8,210	1,244	28,387
Depreciation and impairment					
Balance 1 July 2023	(3,034)	(10,671)	(8,115)	(494)	(22,313)
Prior year reclassifications	(815)	(935)	910	(9)	(850)
Depreciation	(250)	(1,866)	(736)	(172)	(3,024)
Disposals	144	2,891	988	172	4,195
Exchange differences	5	124	(64)	16	81
Balance 30 June 2024	(3,950)	(10,457)	(7,017)	(487)	(21,911)
Net book value					
Carrying amount at 30 June 2024	1,262	3,264	1,193	757	6,476
Carrying amount at 30 June 2023	1,111	2,833	1,707	570	6,221

12 Intangible assets

	Acquired Software & distribution rights	Internally Developed Software	Client Lists	Goodwill	Total
	\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)
Gross carrying amount					
Balance 1 July 2023	580,279	188,200	182,195	1,208,729	2,159,403
Additions	-	87,186	-	-	87,186
Reclassification	-	-	-	2,593	2,593
Exchange differences	208	574	(7)	-	775
Balance 30 June 2024	580,487	275,960	182,188	1,211,322	2,249,957
Amortisation and impairment					
Balance 1 July 2023	(170,360)	(66,398)	(64,746)	-	(301,504)
Amortisation	(81,692)	(45,059)	(26,851)	-	(153,602)
Reclassification 2023	-	-	-	-	-
Exchange differences	240	230	(427)	-	43
Balance 30 June 2024	(251,812)	(111,227)	(92,024)	-	(455,063)
Net book value					
Carrying amount at 30 June 2024	328,675	164,733	90,164	1,211,322	1,794,894
Carrying amount at 30 June 2023	409,919	121,802	117,449	1,208,729	1,857,899

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

12 Intangible assets (continued)

Impairment testing

The Group reviews the business performance at a CGU level. Goodwill acquired through business combinations have been allocated to the following cash-generating units:

	Consolidated	
	2024	2023
	\$ (000's)	\$ (000's)
Legal Search	664,866	664,866
Legal Software - Practice Management	546,456	543,863
	1,211,322	1,208,729

The recoverable amount of the Group's CGUs has been determined by a value-in-use calculation using a discounted cash flow model, based on a 5 year projection period approved by the Board. The 5 year cashflow projection includes the Group's best estimate of business activity.

Key assumptions are those to which the recoverable amount of an asset or cash-generating units is most sensitive.

Pre-tax discount rate of 17.8% has been used for Legal Search CGU while 15.1% was used for the Legal Software CGU. Management determined that the recoverable amount calculated based on value in use exceeded the carrying value of the respective CGU.

Management believes that there are no reasonable changes in the key assumptions (on which the recoverable amount of the cash-generating unit's goodwill is based on) that would cause the cash-generating unit's carrying amount to exceed its recoverable amount.

13 Investment in associates and a joint venture

a) Investment in an associate

In FY22, the Group held 37.9% interest in Settify Pty Ltd which was equity accounted given it had significant influence but not control over Settify. On July 4th, 2022, the Group acquired an additional interest in Settify Pty Ltd for \$2.4 million, followed by an additional \$0.5 million on September 2nd, 2022. It was on this latter date that control was achieved and the Group began consolidating the Company.

	2024	2023
	\$ (000's)	\$ (000's)
Group's investment in associate's equity	-	5,543
Share of profit/(loss) of associate	-	(72)
Investment in the financial year	-	2,907
Group's investment in associate's equity	-	(8,378)
Group's net investment in associate	-	-

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

13 Investment in associates and a joint venture (continued)

b) Investment in a joint venture

On 31st May 2018, ATI entered into a joint venture with the Australian Stock Exchange Limited, subscribing for 49% of ordinary shares in Sympli Australia Pty Ltd ("Simpli").

	Consolidated	
	2024	2023
	\$ (000's)	\$ (000's)
Group's net investment in joint venture at 1 July	22,048	20,523
Investment in the financial year	9,500	16,622
Share of loss of joint venture	(10,574)	(15,097)
Group's net investment in associate	20,974	22,048
<i>Summarised statement of financial position of Sympli:</i>		
Current assets, including cash and cash equivalents	7,213	14,415
Non-current assets	41,446	38,889
Current liabilities	(6,056)	(7,363)
Non-current liabilities	(223)	(946)
Equity	42,380	44,995
Group's share in equity - 49.49% (2023:49%)	20,974	22,048
Group's carrying amount of the investment	20,974	22,048
<i>Summarised statement of profit or loss of Sympli:</i>		
Gross profit/(loss)	34	(16)
Operating expenses	(18,921)	(25,443)
Other expenses	(3,046)	(5,327)
Net Finance income	528	225
Total comprehensive income/(loss) for the year	(21,405)	(30,561)
Group's share of loss for the year	(10,574)	(15,097)

14 Trade and other payables

Trade payables	29,833	22,609
Other payables	61,158	81,299
Interest payable	7,163	6,961
	98,154	110,869

Terms and conditions of the above financial liabilities:

- (i) Trade payables are non-interest bearing and are normally settled on 60-day terms
- (ii) Other payables are non-interest bearing and have an average term of six months
- (iii) Interest payable is normally settled quarterly throughout the financial year

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

	Consolidated	
	2024 \$ (000's)	2023 \$ (000's)
15 Provisions		
<i>Current</i>		
Employee entitlements	17,909	16,152
Deferred settlement	4,615	13,741
	22,524	29,893
<i>Non-current</i>		
Employee entitlements	2,916	2,360
Deferred settlement	13,050	17,232
Makegood	824	837
	16,790	20,430
16 Contract liabilities		
<i>Current</i>		
Deferred revenue - software and support subscription	28,278	51,286
Contract liabilities include long-term advances received to deliver software as a service and support services for the Legal Software CGU.		
17 Interest-bearing loans and borrowings		
<i>Term Loan B facilities</i>		
In March 2022, the Legal Search group entered into a syndicated Term Loan B facility arrangement for \$818.6m, amortising at 0.25% per quarter (First Lien). The new facility has a maturity date of 31 March 2029 and was used to repay the existing Term Loan B facility held by Leap Legal Software Pty Ltd.		
In July 2022, the Legal Software group entered into a 5 year \$435m Term Loan B facility (TLB), amortising at 0.25% per quarter (First Lien). The facility has a maturity date of 17 July 2027.		
<i>Payment In Kind (PIK) facility</i>		
In October 2019, the Group entered into a 5 year \$250m facility by issue of structured securities to the lenders. The facility had an interest rate of 12.5% per annum compounding quarterly. In July 2021, the Group entered into an agreement to refinance the facility. Under the new arrangement the Group obtained a total funding facility of \$1b with an interest rate of 15.5% and a maturity date of 28 February 2030.		
<i>Current</i>		
Loans from Shareholders*	-	1,402
Borrowings - TLB	10,366	10,366
Total current	10,366	11,768
<i>Non current</i>		
Borrowings - TLB	1,204,619	1,211,257
Borrowings - structured securities	1,509,957	1,294,127
Total Non current	2,714,576	2,505,384

* Loan to Practice Evolve Group from non-controlling equity holders is at 7.5% interest rate per annum.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

18 Issued capital

	Consolidated	
	2024	2023
	\$ (000's)	\$ (000's)
Share capital as at 1 July	2,130,542	2,233,277
Share capital issued	5,281	-
Share capital reduction on demerger of Commercial Credit Holdings Pty Limited (Note 29)	-	(102,735)
Share capital at 30 June	2,135,823	2,130,542
	Number	Number
Ordinary shares at 1 July	4,633,574	4,633,574
Shares issued	32,704	-
Ordinary shares at 30 June	4,666,278	4,633,574

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

Capital risk management

The Group's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment.

The Group is subject to certain financing arrangement information covenants. There are no financial covenants applicable to the Group. There have been no events of default on the information covenants during the financial year.

19 Commitments and contingencies

	2024	2023
	\$ (000's)	\$ (000's)
<i>Guarantees</i>		
Office leases and other guarantees	3,185	3,671
Guarantees to authorities	5,523	5,066
	8,708	8,737

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

20 Significant events after the balance date

There have been no significant events occurring after the balance sheet date which may affect either the Group's operations or results of those operations or Group's state of affairs.

21 Information relating to ATI Global Limited (the parent)

	Consolidated 2024	Consolidated 2023
	\$ (000's)	\$ (000's)
<i>Statement of financial position</i>		
Non-current assets - Investments in subsidiaries	767,596	778,636
Net assets	767,596	778,636
Issued capital	2,135,823	2,130,542
Accumulated profits and reserves	(1,368,227)	(1,351,906)
Total equity	767,596	778,636
<i>Profit or loss statement</i>		
Other gain/(loss)	-	81,810
Profit/(loss) after tax from continuing	-	81,810

21a Information relating to 'Closed Group 1'

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. Legal Search Holdings Pty Ltd and the wholly-owned Australian subsidiaries ('Closed Group 1') identified in Note 22 'Group information' have entered into the Deed on 10 June 2022. The effect of the deed is that each party has guaranteed to pay any deficiency in the event of winding up of any of the entities or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. Financial information relating to Closed Group 1 is set out below:

	2024	2023
	\$ (000's)	\$ (000's)
<i>Current assets</i>		
Cash & cash equivalents	18,863	29,521
Trade and other receivables	41,376	36,735
Other current assets	4,600	3,918
Total current assets	64,839	70,174
<i>Non-current assets</i>		
Intangibles & PP&E	540,292	528,736
Derivative asset	47,461	50,545
Deferred tax assets	19,424	19,424
Investments in JV	20,974	22,048
Total Non current assets	628,151	620,753
Total Assets	692,990	690,927

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

21a Information relating to 'Closed Group 1' (continued)

Consolidated Statement of financial position (continued)

	2024	2023
	\$ (000's)	\$ (000's)
<i>Current liabilities</i>		
Trade and other payables	232,296	277,431
Current tax liability	34,169	34,175
Total current liabilities	<u>266,465</u>	<u>311,606</u>
<i>Non-current liabilities</i>		
Provisions	1,384	1,459
Deferred tax liability	46,457	48,023
Borrowings	218,475	217,873
Total Non-current liabilities	<u>266,316</u>	<u>267,355</u>
Total liabilities	532,781	578,961
Net assets	<u>160,209</u>	<u>111,966</u>
<i>Equity</i>		
Issued capital	165,431	165,431
Accumulated profits & reserves	(5,222)	(53,465)
Total equity	<u>160,209</u>	<u>111,966</u>

Consolidated profit or loss statement

	2024	2023
	\$ (000's)	\$ (000's)
Revenue	381,947	313,146
Cost of sales	(242,213)	(205,590)
Staff costs	(51,622)	(43,404)
Other operating expenses	(31,528)	(14,809)
Net finance costs	(41,993)	(26,197)
Depreciation & amortisation	(23,362)	(19,223)
Management fee and other gain/(loss)	46,921	20,185
Income tax expense	1,566	(20,947)
Net profit or loss after tax	<u>39,716</u>	<u>3,161</u>

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

21b Information relating to 'Closed Group 2'

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, Legal Software Holdings Pty Ltd and the subsidiaries identified in Note 22 'Group information' (Closed Group 2) have entered into the Deed on 17 June 2022. The effect of the deed is that each party has guaranteed to pay any deficiency in the event of winding up of any of the entities or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. Financial information relating to Closed Group 2 is set out below:

Consolidated Statement of financial position

	2024	2023
	\$ (000's)	\$ (000's)
<i>Current assets</i>		
Cash & cash equivalents	4,817	41,955
Trade and other receivables	2,654	1,721
Other current assets	2,618	6,136
Total current assets	<u>10,089</u>	<u>49,812</u>
<i>Non-current assets</i>		
Intangibles and PP&E	918	1,187
Deferred tax assets	1,071,990	1,042,688
Investments	10,475	10,475
Total Non-current assets	<u>1,083,383</u>	<u>1,054,350</u>
Total Assets	<u>1,093,472</u>	<u>1,104,162</u>
<i>Current liabilities</i>		
Trade and other payables	(7,870)	(13,999)
Provisions	(6,300)	(6,281)
Borrowings	(4,350)	(4,350)
Total current liabilities	<u>(18,520)</u>	<u>(24,630)</u>
<i>Non-current liabilities</i>		
Borrowings	(417,283)	(420,086)
Other provisions	(1,811)	(1,241)
Deferred tax liability	(24,140)	(24,140)
Total Non-current liabilities	<u>(443,234)</u>	<u>(445,467)</u>
Total liabilities	<u>(461,754)</u>	<u>(470,097)</u>
Net assets	<u>631,718</u>	<u>634,065</u>
<i>Equity</i>		
Issued capital	(698,499)	(698,499)
Other equity	66,781	64,434
Total equity	<u>(631,718)</u>	<u>(634,065)</u>
<u><i>Consolidated profit or loss statement</i></u>		
Revenue	89,122	82,496
Cost of sales	(5,259)	(5,772)
Staff costs	(47,624)	(47,389)
Other operating expenses	4,212	(27,789)
Net finance costs	(10,761)	(16,718)
Depreciation &	(32,009)	(19,958)
Income tax expense	-	13,240
Net profit or loss after tax	<u>(2,319)</u>	<u>(21,890)</u>

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

21c Information relating to 'Closed Group 3'

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785. ATI International Pty Ltd and the subsidiaries identified in Note 22 'Group information' (Closed Group 2) have entered into the Deed on 7 June 2022. The effect of the deed is that each party has guaranteed to pay any deficiency in the event of winding up of any of the entities or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. Financial information relating to Closed Group 3 is set out below:

Consolidated Statement of financial position

	2024	2023
	\$ (000's)	\$ (000's)
<i>Current assets</i>		
Cash & cash equivalents	28,628	38,845
Trade and other receivables	-	6
Other current assets	304	196,353
Total current assets	28,932	235,204
<i>Non-current assets</i>		
Deferred tax assets	1,846	4,518
Investments	1,768,973	1,577,253
Total Non current assets	1,770,819	1,581,771
Total Assets	1,799,751	1,816,975
<i>Current liabilities</i>		
Trade and other payables	6,917	7,668
Total current liabilities	6,917	7,668
<i>Non-current liabilities</i>		
Borrowings	1,509,957	1,294,126
Deferred tax	86	2,893
Total Non-current liabilities	1,510,043	1,297,019
Total liabilities	1,516,960	1,304,687
Net assets	282,791	512,288

Consolidated Statement of financial position (continued)

	2024	2023
	\$ (000's)	\$ (000's)
<i>Equity</i>		
Issued capital	810,442	810,442
Other equity	(527,651)	(298,154)
Total equity	282,791	512,288
<i>Consolidated profit or loss statement</i>		
Finance income and other income	-	81,210
Other income/(expense)	174	(467)
Finance costs	(213,808)	(185,764)
Net profit or loss	(213,634)	(105,021)

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

22 Group information

Information about subsidiaries

The consolidated financial statements of the Group include:

Name	Principal activities	Country of incorporation	% equity interest	
			2024	2023
ATI Global Limited	Parent/Holding company	Australia	100	100
ATI International Pty Ltd***	Holding company	Australia	100	100
ATI Enterprise Co Pty Ltd***	Holding company	Australia	100	100
ATI Holdings Co Pty Ltd***	Holding company	Australia	100	100
Australian Technology Innovators Pty Limited***	Holding company	Australia	100	100
InfoTrack Group Pty Ltd*	Holding company	Australia	100	100
InfoTrack Pty Ltd*	Online search	Australia	100	100
LEAP Searching Pty Ltd*	Dormant entity	Australia	100	100
Scott Ashwood Pty Ltd*	Manual settlements	Australia	100	100
InfoTrack International Pty Limited*	Holding company	Australia	100	100
InfoTrack Limited (NZ)	Online search	New Zealand	100	100
Secureexchange Pty Ltd*	Incorporated legal practice	Australia	100	100
LEAP Legal Software Pty Limited**	Software sales	Australia	100	100
CNCNA Pty Ltd*	Electronic company registrations	Australia	100	100
ATI InvestCo Pty Ltd**	Holding company	Australia	100	100
Practice Evolve Group Pty Ltd	Holding company	Australia	87.4	87.4
Practice Evolve Pty Ltd	Software sales	Australia	87.4	87.4
Practice Evolve UK Ltd	Software sales	UK	87.4	87.4
Practice Evolve Limited	Software sales	Ireland	87.4	87.4
Documatics Australia Pty Ltd	Dormant entity	Australia	87.4	87.4
Linetime Limited	Software sales	UK	100	100
InfoTrack Group Limited (UK)	Holding company	UK	100	100
Infotrack Limited (UK)	Online search	UK	100	100
Southern Tech Invest Ltd (UK)	Dormant entity	UK	100	100
STL Group Pty Ltd (UK)	Dormant entity	UK	100	100
Legal Search (US) Pty Ltd*	Holding company	Australia	100	100
ATI Holdings US Inc.	Holding company	USA	100	100
ATI US Inc.	Holding company	USA	100	100
InfoTrack US Inc.	Online search and court filing	USA	100	100
Infinity Law Holdings Pty Ltd**	Holding company	Australia	100	100
Infinity Law Australia Pty Ltd**	Software sales	Australia	100	100
LEAP Legal Software NZ Limited	Software sales	New Zealand	100	100
LawToolBox.com,Inc	Deadline management	USA	53.1	53.1
LawLabs Inc.	Legal conveyancing workflow	Canada	100	100

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

Name	Principal activities	Country	% equity interest	
			2024	2023
Solicitors Own Software Limited	Software sales	UK	100	100
Groundsure Limited (UK)	Online Search	UK	100	100
ATI UK Holdings Limited	Holding company	UK	100	100
Phoenix Searches Limited (U.K)	Online Search	UK	100	100
Greenfiling, LLC	Online Search	USA	100	100
Lawlytics, Inc	Software sales	USA	100	100
Leap Software Developments Pty Limited**	Software sales	Australia	100	100
By Lawyers Pty Ltd	Software sales	Australia	51	51
By Lawyers Holdings Pty Ltd**	Software sales	Australia	100	100
Fileman Pty Ltd	Software sales	Australia	59	59
Fileman Global Pty Ltd	Holding entity	Australia	59	59
Fileman (UK) Ltd	Software sales	UK	59	59
MM Software Developments Pty Ltd	Dormant	Australia	83.9	83.9
Migration Manager Limited	Software sales	New Zealand	83.9	83.9
MM Software Developments Inc.	Software sales	USA	83.9	83.9
DebtCol Software Pty Ltd**	Dormant	Australia	100	100
LawConnect Pty Ltd	Dormant	Australia	100	100
LawTap Pty Ltd**	Software sales	Australia	100	100
LawY Pty Limited**	Software Development	Australia	100	100
Legal Software Holdings Pty Ltd**	Holding entity	Australia	100	100
Legal Software Pty Ltd**	Holding entity	Australia	100	100
Legal Financial Services Pty Ltd	Holding entity	Australia	96.8	96.8
Rapid Pay Holdings Pty Ltd	Holding entity	Australia	96.8	96.8
Rapid Financial Services Solutions Pty Ltd	Legal Financial Services	Australia	96.8	96.8
FeeWise Holdings Pty Ltd	Legal Financial Services	Australia	96.8	96.8
Rapid Payment Plans Pty Ltd	Legal Financial Services	Australia	96.8	96.8
RPP Funding Australia Pty Ltd	Legal Financial Services	Australia	96.8	96.8
TriSearch Services Pty Ltd*	Online Search	Australia	100	100
WealthCounsel, LLC	Software sales	USA	100	100
Legal Search (Canada) Pty Ltd*	Dormant- Holding entity	Australia	100	100
InfoTrack Services Limited (Canada)	Dormant	Canada	100	100
Legal Search (UK) Pty Ltd*	Holding entity	Australia	100	100
Legal Search (Australia) Pty Ltd*	Holding entity	Australia	100	100
Legal Search Holdings Pty Ltd*	Holding entity	Australia	100	100
Legal Search Pty Ltd*	Holding entity	Australia	100	100
Flint House Limited	Holding company	UK	100	100
Landscape Software Limited (UK)	Property tax & compliance	UK	100	100
SettleIT Pty Ltd*	Dormant entity	Australia	100	100
InfoTrackID Pty Ltd*	Dormant entity	Australia	100	100
Perfect Portal (Australia) Pty Ltd*	Legal conveyancing workflow	Australia	100	100
Perfect Portal (UK) Ltd	Legal conveyancing workflow	UK	100	100

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

22 Group information (continued)

Name	Principal activities	Country	% equity interest	
			2024	2023
Legal Software (US) Pty Ltd**	Holding entity	Australia	100	100
Legal Software (US) Holdings Inc.	Holding entity	USA	100	100
Legal Publishing Holding US Inc.	Holding entity	USA	100	100
Legal Lead Generation Holdings Inc.	Holding entity	USA	100	100
Legal Software (US) Enterprise Inc.	Holding entity	USA	100	100
Practice Evolve Holdings Pty Ltd**	Holding entity	Australia	100	100
LEAP Software Holdings Pty Ltd**	Holding entity	Australia	100	100
Groundsure Pty Ltd*	Dormant entity	Australia	100	100
LEAP Integrations Pty Limited*	Dormant entity	Australia	100	100
LEAP Legal Software UK Holdings Limited	Holding entity	UK	100	100
LEAP Legal Software Ltd	Software sales	UK	100	100
LawPro Legal Systems Ltd	Software sales	UK	100	100
WillSuite Limited	Software sales	UK	100	100
Love Legal Group Ltd	Software sales	UK	100	100
TrustSuite Ltd	Software sales	UK	100	100
LeapOffice Sp. Zoo	Software sales	Poland	100	100
LEAP Legal Software (Ireland) Limited	Software sales	UK	100	100
EXPDS Limited	Software sales	UK	100	100
Rodine Ltd	Software sales	UK	100	100
Settify Pty Ltd	Software sales	Australia	96.1	96.1
Settify IP Pty Ltd	Software sales	Australia	96.1	96.1
FeeWise US Corporation	Legal Financial Services	USA	96.8	96.8
FeeWise Canada Limited	Legal Financial Services	Canada	96.8	96.8
Super Scale Labs Private Limited	Software sales	India	100	100
Corto Pty Ltd	Software Development	Australia	100	100

* Entities within Closed Group 1, refer note 21a

** Entities within Closed Group 2, refer note 21b

*** Entities within Closed Group 3, refer note 21c

Joint arrangement in which the Group is a joint venturer

The Group has a 49.4% interest in Sympli Australia Pty Ltd (2023: 49.3%). For more details, refer to Note 13(b).

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

	Consolidated	
	2024	2023
	\$ (000's)	\$ (000's)
23 Finance Costs		
Borrowing costs - Term Loan B	132,155	118,449
Borrowing costs - Structured equity	215,831	185,763
Other finance costs and bank fees	17,317	2,913
Interest charges - leases	1,509	1,620
	366,812	308,745
24 Auditor's remuneration	2024	2023
Amounts received or due and receivable by external auditors for:	\$	\$
Financial Statement audit:		
Australia (EY)	735,000	760,000
UK (EY)	-	464,520
UK (Oury Clark)	630,800	188,500
Other non-audit services		
Australia (EY)	-	567,217
UK (EY)	-	375,690
UK (Oury Clark)	141,550	-
	1,507,350	2,355,927

25 Business combinations

Acquisitions in 2023

Acquisition of Leap Legal Software Ltd

On 27 July 2022, the Group acquired 100% interest in Leap Legal Software Ltd ('LEAP UK') for \$276.6m. LEAP UK's core focus is in the distribution of the cloud-based LEAP Legal platform to law firms in the UK and Ireland.

LEAP UK had the following identifiable net assets on acquisition:

	\$ (000's)
Identifiable Assets	
Cash	6,144
Trade and other receivables	4,785
Prepayments and other assets	36,912
Property, plant & equipment	419
Right-of-use asset	1,366
Software distribution rights (UK)	11,186
Software	6,083
Customer List	75,155
Total Assets	142,050
Identifiable liabilities	
Trade Payables and other payables	(61,166)
Lease liability	(1,366)
Deferred tax liability	(17,574)
Total Liabilities	(80,106)
Total identifiable net assets at FV	61,944
Goodwill arising on acquisition (Note 12)	213,871
Purchase consideration	275,815

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2023

25 Business combinations (continued)

Acquisitions in 2023 (continued)

Acquisition of WillSuite Ltd

On 1 September 2022, the Group, through its subsidiary LEAP UK, acquired WillSuite Limited for \$12.8m. WillSuite is a software company based in UK, specialist provider of cloud software for will writers and estate planning professionals.

WillSuite had the following identifiable net assets on acquisition:

Identifiable Assets	\$ (000's)
Cash	1,321
Trade and other receivables	3
Prepayments and other assets	1
Property, plant & equipment	15
Software	4,652
Total Assets	5,992
Identifiable liabilities	
Trade Payables and other payables	(1,288)
Deferred tax liability	-
Total Liabilities	(1,288)
Total identifiable net assets at FV	4,704
Goodwill arising on acquisition (Note 12)	8,088
Purchase consideration	12,792

Acquisition of Settify Pty Ltd

The Group acquired additional interest in Settify Pty Ltd for \$2.4m in July 2022, \$0.5m in September 2022 and \$3.6m in March 2023, bringing the Group's total stake to 96.1%. The Company specializes in developing software platforms that enhance and streamline client interactions and engagement processes within the legal industry.

Settify had the following identifiable net assets on acquisition:

Identifiable Assets	\$ (000's)
Cash	986
Trade and other receivables	109
Prepayments	32
Property, plant & equipment	-
Right-of-use asset	-
Software	2,254
Customer lists	884
Total Assets	4,265
Identifiable liabilities	
Trade Payables and other payables	(703)
Lease liability	-
Deferred tax liability	(941)
Total Liabilities	(1,644)
Total identifiable net assets at FV	2,621
Goodwill arising on acquisition (Note 12)	11,990
Non-controlling interest measure at fair value	(6,233)
Purchase consideration	8,378

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2023

25 Business combinations (continued)

Acquisitions in 2023 (continued)

Acquisition of ElderLawNet Inc.

In September 2022, the Group acquired ElderLawNet for \$5.5m. The ElderLawNet platform provides referral and marketing source for Elder Law attorneys and special needs planning attorneys as well as content marketing for estate planning attorneys. ElderLaw is a Massachusetts Corporation.

ElderLawNet had the following identifiable net assets on acquisition:

Identifiable Assets	\$ (000's)
Property, plant & equipment	4
Customer List	224
Total Assets	228
Identifiable liabilities	
Trade Payables and other payables	(501)
Total Liabilities	(501)
Total identifiable net assets (provisional)	(273)
Goodwill arising on acquisition (Note 12)	5,757
Purchase consideration	5,484

Acquisition of LawLabs Inc.

In May 2023, the Group acquired LawLabs Inc for \$23.2m, which includes an earn-out provision of \$12.3m. LawLabs is based in Ontario, Canada and provides user-focused technology to legal real estate practices to enable them to close off real estate transactions.

LawLabs had the following identifiable net assets on acquisition:

Identifiable Assets	\$ (000's)
Cash	104
Trade and other receivables	56
Prepayments	16
Property, plant & equipment	48
Right-of-use asset	38
Software	11,166
Total Assets	11,428
Identifiable liabilities	
Trade Payables and other payables	(1,252)
Lease liability	(38)
Deferred tax liability	(3,413)
Total Liabilities	(4,703)
Total identifiable net assets (Provisional)	6,725
Goodwill arising on acquisition (Note 12)	15,115
Purchase consideration*	21,840

* Includes deferred consideration of \$12,310k.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2023

25 Business combinations (continued)

Acquisitions in 2023 (continued)

Acquisition of Flint House Limited

The Group acquired Flint House Limited (Landscape Software) for \$2.7m in May 2023. Landscape Software is a UK-based provider of property tax and compliance software.

Flint House Limited had the following identifiable net assets on acquisition:

Identifiable Assets	\$ (000's)
Cash	739
Trade and other receivables	121
Prepayments	75
Software	1,865
Total Assets	2,800
Identifiable liabilities	
Trade Payables and other payables	(571)
Deferred tax liability	-
Total Liabilities	(571)
Total identifiable net assets (Provisional)	2,229
Goodwill arising on acquisition (Note 12)	2,415
Purchase consideration	4,644

Acquisition of Perfect Portal (Australia) Pty Ltd

The Group acquired Perfect Portal (Australia) Pty Ltd for \$21.9m on April 2023. Perfect Portal provides a conveyancing sales management system that delivers end-to-end solutions to law firms in Australia and UK.

Perfect Portal had the following identifiable net assets on acquisition:

Identifiable Assets	\$ (000's)
Cash	1,985
Trade and other receivables	49
Prepayments	558
Property, plant & equipment	170
Customer lists	1,310
Software	5,596
Right-of-use asset	116
Total Assets	9,784
Identifiable liabilities	
Trade Payables and other payables	(1,258)
Deferred tax liability	(2,192)
Lease liability	(116)
Total Liabilities	(3,566)
Total identifiable net assets at fair value (Provisional)	6,218
Goodwill arising on acquisition (Note 12)	15,663
Purchase consideration transferred	21,881

In accordance with AASB 3 para 45, the purchase price allocation for Perfect Portal (Australia) Pty Ltd, Flint House Ltd and LawLabs Inc. acquisitions was provisional at 30 June 2023. The Group finalised the valuation and combination accounting in financial year 2024.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

26 Financial instruments

Financial risk management objectives

The consolidated entity's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and ageing analysis for

Market risk

Interest rate risk

The consolidated entity's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the consolidated entity to interest rate risk.

In March 2022, the Legal Search group entered into a syndicated Term Loan B facility arrangement for \$818.6m, amortising at 0.25% per quarter (First Lien). The facility has a maturity date of 31 March 2029.

In October 2019, the Group entered into a 5 year \$250m facility by issue of structured securities to the lenders. The facility had an interest rate of 12.5% per annum compounding quarterly. In July 2021, the Group entered into an agreement to refinance the facility. Under the new arrangement the Group obtained a total funding facility of \$1b with an interest rate of 15.5% and a maturity date of 28 February 2030.

In July 2022, the Legal Software group entered into a 5 year \$435m Term Loan B facility (TLB), amortising at 0.25% per quarter (First Lien). The facility maturity dates are July 2027 for first tranche (\$400m), September 2027 for the second tranche (\$20m) and October 2027 for the third tranche (\$15m).

An official increase/decrease in interest rates would have an adverse/favourable effect on profit before tax. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts. In addition, minimum principal repayments of \$10,366,000 (2023: \$10,366,000) every 12 months.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable. The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements

In March 2022, the Legal Search group entered into a syndicated Term Loan B facility arrangement for \$818.6m, amortising at 0.25% per quarter (First Lien). The new facility has a maturity date of 31 March 2029.

In October 2019, the Group entered into a 5 year \$250m facility by issue of structured securities to the lenders. The facility had an interest rate of 12.5% per annum compounding quarterly. In July 2021, the Group entered into an agreement to refinance the facility. Under the new arrangement the Group obtained a total funding facility of \$1b with an interest rate of 15.5% and a maturity date of 28 February 2030.

In July 2022, the Legal Software group entered into a 5 year \$435m Term Loan B facility (TLB), amortising at 0.25% per quarter (First Lien). The facility has a maturity date of 17 July 2027.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

26 Financial instruments (continued)

Remaining contractual maturities

The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

	Weight average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 10 years	Remaining contractual maturities
		\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)
Consolidated - 2024					
Trade payables		(29,833)	-	-	(29,833)
Other payables		(61,158)	-	-	(61,158)
Lease liabilities	5.6% - 14%	(8,388)	(8,542)	(1,292)	(18,222)
Interest bearing borrowings - structured securities	15.5%	-	-	(3,596,513)	(3,596,513)
Interest bearing borrowings - TLB	9.96%-10.16%	(135,178)	(133,780)	(1,506,088)	(1,775,046)
Total non-derivatives		(234,557)	(142,322)	(5,103,893)	(5,480,772)

	Weight average interest rate	1 year or less	Between 1 and 2 years	Between 2 and 10 years	Remaining contractual maturities
		\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)
Consolidated - 2023					
Trade payables		(22,609)	-	-	(22,609)
Other payables		(81,299)	-	-	(81,299)
Lease liabilities	5.6% - 10.5%	(8,019)	(11,491)	(2,643)	(22,153)
Interest bearing borrowings - structured securities	15.5%	-	-	(3,596,513)	(3,596,513)
Interest bearing borrowings - TLB	5.9%-9.55%	(129,375)	(126,705)	(1,611,248)	(1,867,328)
Total non-derivatives		(241,302)	(138,196)	(5,210,404)	(5,589,902)

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments- Fair value hierarchy

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

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

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

Level 3: Unobservable inputs for the asset or liability

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

26 Financial instruments (continued)

Fair value of financial instruments- Fair value hierarchy (continued)

	Level 1	Level 2	Level 3	Total
	\$ (000's)	\$ (000's)	\$ (000's)	\$ (000's)
Consolidated - 2024				
Financial assets	-	-	47,461	47,461
Related party receivable - LEAP US			145,126	145,126
Total assets	-	-	192,587	192,587
Consolidated - 2024				
Financial liabilities	-	-	-	-
Total Liabilities	-	-	-	-
Consolidated - 2023				
Financial assets	-	-	50,545	50,545
Related party receivable - LEAP US			145,126	145,126
Total assets	-	-	195,671	195,671
Consolidated - 2023				
Financial liabilities	-	-	-	-
Total Liabilities	-	-	-	-

There were no transfers between levels during the financial year.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including verifying creditor company details. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables and contract assets are regularly monitored. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

26a Financial assets

Hedging activities and derivatives

The Group designates the pay-fixed receive-float cross-currency interest rate swap (the "Hedging Instrument" or "swap") with the following terms:

- Initial principal exchange (31 March 2022): Pay Notional AUD 348,646,432 and Receive Notional USD 255,000,000 (bullet notional)
- Periodic coupon exchanges: Receive USD-SOFR CME Term (subject to a minimum of 0.50%) plus a spread of 465 bps and Pay fixed 8.105% with payments based on a bullet notional schedule.
- Effective Date: 31 March 2022 (with first payment 30 June 2022)
- Trade date: 17 March 2022 (used to determine the spot rate for the principal exchanges)
- Final Principal Exchange: Pay Notional AUD 348,646,432 and Receive Notional USD 255,000,000
- Maturity Date: 31 March 2027

In accordance with AASB 9 para. 6.5.15, the Group has designated only the spot component of the Hedging Instrument and has excluded from the Hedging Instrument the currency basis elements and forward elements of the cross currency swap ("non-spot elements"). These items are quantified under the paragraph below called "Accounting for the foreign currency basis and forward elements of the Hedging Instrument".

The Hedged Transaction (Hedged Item): The hedged transaction is:

- the spot foreign exchange remeasurement risk and interest rate risk of the first previously unhedged USD variable interest payments;
- USD-SOFR CME Term (floored at 0.50%) (the "benchmark floating rate)
- inclusive of the spread over the benchmark floating rate on the Borrowings, to the extent that it does not exceed the equivalent spread on the Hedging Instrument;
- accrued and made each interest accrual period from the effective date to the maturity date of the swap on an aggregate amount of Borrowings that is equal to the then-outstanding swap notional of the USD leg;
- that reprices on and then closest following the reset dates of the swap; as well as
- the spot foreign currency remeasurement risk on the principal balance of the Group's USD Borrowings equal to the then-outstanding notional of the USD leg of the swap each period-end from the effective date to the maturity date of the swap.

The Hedged Transactions are initially expected to flow from the Group's floating rate USD-denominated Debt defined in the Risk Management Objective above. In the event that the Group's USD-denominated Debt is refinanced or modified prior to its scheduled maturity date, the Group further designates the interest payments and principal repayments flowing from any replacement debt in USD as the Hedged Transactions.

The Borrowings currently contain an embedded floor 0.50% on 3 months. USD-SOFR CME Term matching the floor in the swap. If the Borrowings are amended or replaced with Borrowings without a floor or containing an embedded floor with a different rate (including an event where the Hedged Transactions are sourced from multiple loan agreements with different floor rates), the Hedged Transactions will be sourced in the following order:

- First, from the Borrowings subject to a floor of 0.50%, then to the tenor of 3 months. USD-SOFR CME Term that most closely matches the Hedging Instrument, repricing on and then closest following the reset dates of the swap;
- Second, from the Borrowings subject to a floor other than 0.50%, starting with the floor rate closest to the Hedging Instrument's floor rate, then to the tenor of 3 months. USD-SOFR CME Term that most closely matches the Hedging Instrument, repricing on and then closest following the reset dates of the swap. If there are multiple Borrowings having floor strike rates that are equidistant from the Hedging Instrument's floor rate, the Hedged Transactions will be sourced from the Borrowings with the lowest floor strike rate and going to each successive floor strike rate as necessary and available to reach a Debt principal greater than or equal to the then-current notional amount on the swap;
- Third, from the Borrowings not subject to a floor, then to the tenor of 3 months. USD-SOFR CME Term that most closely matches the Hedging Instrument, repricing on and then closest following the reset dates of the swap.

Notes to the Consolidated Financial Statements

For the year ended 30 June 2024

26a Financial assets (continued)

Hedging activities and derivatives (continued)

The Group has concluded that the 0.50% floor on 3 months. USD-SOFR CME Term is closely related to the underlying host debt instrument and does not require bifurcation as an embedded derivative under AASB 9 para. B4.3.8(b).

There is no ineffectiveness recognised in profit or loss.

Impact on the financial statements

The group recognised the following swap at fair value relating to the above hedging instrument:

	2024	2023
	\$	\$
Derivative assets as at 1 July	50,545	32,410
Change in fair value recognised in profit or loss	(1,217)	18,594
Hedge excluded components recognised in equity	9,120	4,322
Interest savings resulting from hedge instrument	(10,987)	(4,781)
Derivative asset as at 30 June	<u>47,461</u>	<u>50,545</u>

At each reporting date the swap will be recorded on the balance sheet at fair value and accumulated OCI will be adjusted to a balance that reflects the lesser of either the cumulative change in the fair value of the actual swap or the cumulative change in the fair value of the "perfect" hypothetical swap. The amount of ineffectiveness, if any, recorded in profit or loss will be equal to the excess of the cumulative change in the fair value of the actual swap (excluding foreign currency basis and forward elements) over the cumulative change in the fair value of the "perfect" hypothetical swap. Amounts in accumulated OCI will be reclassified into profit or loss in the same period during which the Hedged Transactions affect profit or loss.

Credit risk

Set out below is the information about the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix. There were no changes to the matrix as a result of the coronavirus pandemic.

	Expected	Gross	Credit loss
	Default Rate	Carrying Amount	allowance
Not past due	0%	55,709	-
1-30 days past due	0%	6,763	-
31-60 days past due	0%	8,100	-
61-90 days past due	3.5%	2,628	93
More than 90 days past due	76.2%	2,432	1,854
Total		<u>75,632</u>	<u>1,947</u>

26b Other reserves

	2024	2023
	\$	\$
The group recognised the following in other reserves:		
Hedge components reserve	(1,727)	(10,847)
Common control reserve	(2,153,384)	(2,153,384)
	<u>(2,155,111)</u>	<u>(2,164,231)</u>

Nature and purpose of reserves

Hedge components reserve

The hedge components reserve covers the equity component of the Hedging instrument. Refer to Note Note 26a for All other reserves are as stated in the consolidated statement of changes in equity.

Common control reserve

This reserve records the difference between proceeds transferred and the carrying amounts of the net assets received in common control transactions. A common control transaction is a transfer of assets or an exchange of equity interests among entities under the same parent's/shareholders control.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

27 Related party disclosures

a) Parent entity

ATI Global Limited

b) Subsidiaries

Interests in subsidiaries are set out in Note 22.

c) Joint venture

Interests in joint venture is set out in Note 13(b).

d) Interest in an associate

Interests in associate is set out in Note 13(a).

e) Key management personnel

The following were key management personnel of the Group at any time during the reporting period, and unless otherwise indicated were key management personnel for the entire period:

Non-executive directors

Marcus Fletcher
Phillipa Downes
Craig Farrow
Chris Champion

Executive Directors

Stephen Wood
Christian Beck
John Ahern

Officerholders

Tony Ghiazza
Ed Watts
Scott Bozinis
Richard Hugo-Hamman
(ceased: 12/03 2024)
Donna Broadley

Compensation of key management personnel

The key management personnel compensation included in employee benefits expense are as follows:

	2024	2023
	\$	\$
Short-term employee benefits	13,686,523	19,763,834

f) Transactions with related parties

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

Related party		<i>Recharge/ sale to related parties</i>	<i>Recharge/ Purchases from related parties</i>	<i>Amounts owed by related parties</i>	<i>Amounts owed to related parties</i>
		\$	\$	\$	\$
Smokeball Pty Ltd	2024	-	8,305,616	33,579	8,107
	2023	-	3,014,313	-	199,178
Sympli Australia Pty Ltd	2024	-	24,866	-	-
	2023	-	-	38,739	-
Lotsearch Pty Ltd	2024	-	647,516	-	-
	2023	-	721,069	-	-
BHAG Management Pty Ltd	2024	-	4,307,633	-	258,153
	2023	-	6,069,010	-	979,829
Zahet australia pty ltd	2024	-	-	-	-
	2023	-	29,697	-	-

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

27 Related party disclosures (continued)

f) Transactions with related parties (continued)

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year:

<i>Related party</i>		<i>Recharge/ sale</i>	<i>Recharge/</i>	<i>Amounts</i>	<i>Amounts</i>
		<i>to related parties</i>	<i>Purchases from</i>	<i>owed by</i>	<i>owed to</i>
		<i>related parties</i>	<i>related parties</i>	<i>related parties</i>	<i>related parties</i>
		\$	\$	\$	\$
Super Maxi Entertainment	2024	-	2,780	-	-
	2023	-	603,223	-	-
Smokeball, Inc. (US)	2024	581,807	214,892	51,468	23,987
	2023	475,439	220,403	45,426	14,974
Helfen Pty Ltd	2024	-	-	-	-
	2023	-	312,125	-	132,000
Nirovision Holdings Pty Ltd	2024	-	1,188	-	-
	2023	-	-	-	-
LEAP Legal Software Ltd (US)	2024	418,721	108,047	38,119	2,994
	2023	279,997	20,470	33,140	1,233
W7961 Rapid Financial Services, LLC	2024	-	-	-	-
	2023	19,848	-	-	-
LEAP Legal Software (Canada) Ltd	2024	209,220	1,236,283	493,790	286,042
	2023	2,110,242	316,136	284,326	84,210
LEAP Group Holdings Inc. - US	2024	3,770,113	4,236,621	968,592	458,012
	2023	10,525,099	1,197,553	625,880	-
LEAP International Holdings Pty Ltd	2024	-	-	4,256	-
	2023	-	-	12,039	-
PCLaw Time Matters LLC	2024	-	-	-	-
	2023	1,051,735	-	156,075	-
DivorceMate	2024	-	-	42,589	-
	2023	516,188	-	69,380	-
Innovation Advisory Pty Ltd	2024	-	144,017	-	-
	2023	-	232,839	-	-
Commercial Process Serving, Inc.	2024	-	35,817	-	102
	2023	-	-	-	-
CreditorWatch Pty Ltd	2024	-	895,505	10,220	81,966
	2023	-	584,454	5,471	79,639

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

27 Related party disclosures (continued)

Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

Terms of the tax funding arrangement are set out in Note 2(j).

g) Loans from Shareholders of subsidiary

	2024	2023
	\$	\$
Loans from Shareholders*	-	1,402,261

* Loan to Practice Evolve Group from non-controlling equity holders is at 7.5% interest rate per annum.

h) Investment in related parties

In FY23 the Group acquired interests in related parties, Perfect Portal (Australia) Pty Ltd, Leap Legal Software Ltd ('LEAP UK') and Settify Pty Ltd. Details of these acquisitions are disclosed in Note 25. There were no related party acquisitions in FY24

i) Loans to related parties

The Group has a non-current loan receivable from LEAP US for \$120.9m. The loan has an expiry date of 31 March 2029.

Interest rate is 5% per annum. Outstanding accrued interest at 30 June 2024 was \$12.1m.

The Group has a non-current loan receivable from LEAP US for \$24.2m. The loan has an expiry date of 21 December 2028.

Interest rate is 5% per annum.

	2024	2023
	\$ (000's)	\$ (000's)
28 Cash flow information		
Net profit/(loss) for the year	(206,896)	(176,119)
<u>Adjustments to reconcile profit to net cash flows:</u>		
Depreciation & amortisation	164,538	141,225
Other (loss)/gain	198	(85,786)
Net tax (benefit)/expense	(42,272)	6,731
Change in FV of derivative liability	1,217	(18,594)
Share based payments	2,118	3,339
Non- cash finance costs recognised in profit or loss statement	373,447	240,322
<u>Working capital adjustments:</u>		
Increase/(decrease) in provisions	(11,008)	7,194
(Increase)/decrease in trade and other receivables	(8,150)	(35,722)
(Increase)/decrease in other assets	(5,160)	(14,397)
Increase/(decrease) in trade and other payables	(12,714)	43,310
Increase/(decrease) in income taxes	(3,549)	7,747
Increase/(decrease) in contract liabilities	(23,007)	25,747
Net cash inflow from operating activities	228,762	144,997

29 Demerger of Commercial Credit Holdings Pty Limited

On 1 September 2022, the Group demerged Commercial Credit sub-group. The demerger was effected through an in specie distribution of shares in Commercial Credit Holdings Pty Ltd (CC Holdings), distributed to the Group's shareholders. The demerger is intended to provide enhanced management focus on Commercial Credits growth strategy together with a streamlined capital structure.

Notes to the Consolidated Financial Statements (continued)

For the year ended 30 June 2024

29 Demerger of Commercial Credit Holdings Pty Limited (continued)

Accounting for the demerger was done at fair value of the net assets distributed. The fair value of the Commercial Credit Group was determined by an independent external valuation expert using the discounted cash-flow methodology.

The demerger distribution liability has been allocated between a capital reduction (\$102.7m) and a demerger dividend (\$27.97m). The value of the capital reduction has been determined in accordance with the tax allocation specified by an ATO ruling and had been recognised against share capital. The demerger dividend, being the difference between the fair value of the net assets to be distributed and the capital reduction, has been recognised in a demerger reserve, within equity.

As a result of the demerger, the Group lost control of the Commercial Credit Group and recognised a gain within equity of \$81.8m equal to the difference between the net assets of the Commercial Credit Group derecognised on transfer to shareholders and the demerger distribution liability.

Profit recognised by the Group in the financial year before demerger:

	2023
	July-August 2022
Revenue	000's
Revenue from contracts with customers	6,444
Expenses	
Cost of sales	(718)
Staff costs	(3,729)
Marketing costs	(240)
Office & occupancy costs	(369)
Professional fees	(81)
Depreciation & amortisation	(1,060)
Other operating expenses	(295)
Operating profit	(48)
Finance costs	(63)
Finance income	1
Other (loss)/gain	124
Income tax expense	334
Net operating profit after tax - CCH Group	348
Gain on demerger recognised by the Group	81,810

30 Share-based payments

Under the ATI US Inc. 2022 Equity Incentive Plan, share options of ATI US Inc. (a subsidiary of the Parent) are issued to US-based employees. Employees must remain in service for a period of four years from the date of grant in order for the share options to vest although 25% of the options vests at Year 1. The fair value of share options granted is estimated at the date of grant using a Black-Scholes option pricing model, taking into account the terms and conditions on which the share options were granted. The grant expires in 2032 and there are no cash settlement alternatives for employees.

Movements during the year

The following table illustrates the number of, and movements in, share options during the year:

	2024	2023
	Number	Number
Outstanding at 1 July	18,033,670	-
Granted during the year	-	18,033,670
Forfeited during the year	(3,428,145)	-
Outstanding at 30 June	14,605,525	18,033,670

Consolidated entity disclosure statement

The Treasury Laws Amendment (Making Multinationals Pay Their Fair Share – Integrity and Transparency) Act 2024 (Amendments) passed both houses of parliament on 27 March 2024 and received Royal Assent on 8 April 2024. The Amendments change the Corporations Act 2001 and introduce new mandatory disclosures for inclusion in annual financial reports.

The new requirements apply to financial reports prepared by Australian public companies (listed and unlisted) for each financial year commencing on or after 1 July 2023, i.e. the annual financial reports for 30 June 2024 (FY24).

The Directors' of ATI Global Limited make the following consolidated entity disclosure statement as required by subsection 295 (3A) of the Corporations Act 2001.

Entity name	Entity Type	Body Corporate country of incorporation	Body Corporate % of share capital held	Country of tax residence
ATI Global Limited	Body Corporate	Australia	100	Australia
ATI International Pty Ltd	Body Corporate	Australia	100	Australia
ATI Enterprise Co Pty Ltd	Body Corporate	Australia	100	Australia
ATI Holdings Co Pty Ltd	Body Corporate	Australia	100	Australia
Australian Technology Innovators Pty Limited	Body Corporate	Australia	100	Australia
Legal Search Holdings Pty Ltd	Body Corporate	Australia	100	Australia
Legal Search Pty Ltd	Body Corporate	Australia	100	Australia
Legal Search (Australia) Pty Ltd	Body Corporate	Australia	100	Australia
Legal Search (US) Pty Ltd	Body Corporate	Australia	100	Australia
Legal Search (Canada) Pty Ltd	Body Corporate	Australia	100	Australia
Legal Search (UK) Pty Ltd	Body Corporate	Australia	100	Australia
Groundsure Pty Ltd	Body Corporate	Australia	100	Australia
Trisearch Services Pty Ltd	Body Corporate	Australia	100	Australia
InfoTrack Group Pty Ltd	Body Corporate	Australia	100	Australia
InfoTrack Pty Ltd	Body Corporate	Australia	100	Australia
CNCNA Pty Limited	Body Corporate	Australia	100	Australia
Scott Ashwood Pty Limited	Body Corporate	Australia	100	Australia
LEAP Searching Pty Limited	Body Corporate	Australia	100	Australia
InfoTrack International Pty Limited	Body Corporate	Australia	100	Australia
SettleIT Pty Limited	Body Corporate	Australia	100	Australia
InfoTrackID Pty Ltd	Body Corporate	Australia	100	Australia
Securexchange Pty LTD	Body Corporate	Australia	100	Australia
Perfect Portal (Australia) Pty Ltd	Body Corporate	Australia	100	Australia
Legal Software Holdings Pty Ltd	Body Corporate	Australia	100	Australia
Legal Software Pty Ltd	Body Corporate	Australia	100	Australia
Legal Software (US) Pty Ltd	Body Corporate	Australia	100	Australia
LEAP Software Holdings Pty Ltd	Body Corporate	Australia	100	Australia
LEAP Software Developments Pty Ltd	Body Corporate	Australia	100	Australia

Consolidated entity disclosure statement (continued)

By Lawyers (Holdings) Pty Ltd	Body Corporate	Australia	100	Australia
LEAP Integrations Pty Limited	Body Corporate	Australia	100	Australia
DebtCol Software Pty Ltd	Body Corporate	Australia	100	Australia
LawConnect Pty Ltd	Body Corporate	Australia	100	Australia
LawY Pty Limited	Body Corporate	Australia	100	Australia
LawTap Pty Ltd	Body Corporate	Australia	100	Australia
LEAP Legal Software Pty Ltd	Body Corporate	Australia	100	Australia
Infinity Law Holdings Pty Ltd	Body Corporate	Australia	100	Australia
Infinity Law Australia Pty Ltd	Body Corporate	Australia	100	Australia
Corto Pty Ltd	Body Corporate	Australia	100	Australia
Practice Evolve Holdings Pty Limited	Body Corporate	Australia	100	Australia
ATI Invest Co Pty Ltd	Body Corporate	Australia	100	Australia
Practice Evolve Group Pty Ltd	Body Corporate	Australia	87.4	Australia
Documatics Australia Pty Ltd	Body Corporate	Australia	87.4	Australia
Practice Evolve Pty Ltd (AU)	Body Corporate	Australia	87.4	Australia
Legal Financial Services Pty Limited	Body Corporate	Australia	96.84	Australia
Stride Legal Funding Pty Limited	Body Corporate	Australia	96.84	Australia
FeeWise Holdings Pty Ltd	Body Corporate	Australia	96.84	Australia
Rapid Payment Plans Pty Ltd (fka Quicka Pty Ltd)	Body Corporate	Australia	96.84	Australia
RPP Funding Australia Ltd (fka Quicka Loans Pty Ltd)	Body Corporate	Australia	96.84	Australia
RapidPay Holdings Pty Ltd	Body Corporate	Australia	96.84	Australia
Rapid Financial Services Solutions Pty Ltd	Body Corporate	Australia	96.84	Australia
By Lawyers Pty Ltd	Body Corporate	Australia	51	Australia
MM Software Developments Pty Ltd	Body Corporate	Australia	83.9	Australia
Fileman Pty Ltd	Body Corporate	Australia	59	Australia
Fileman Global Pty Ltd	Body Corporate	Australia	59	Australia
Settify Pty Ltd	Body Corporate	Australia	96.1	Australia
Settify IP Pty Ltd	Body Corporate	Australia	96.1	Australia
ATI US Holdings Inc	Body Corporate	USA	100	USA
ATI US Inc	Body Corporate	USA	100	USA
InfoTrack US, Inc	Body Corporate	USA	100	USA
Green Filing LLC	Body Corporate	USA	100	USA
LawToolBox.com, Inc	Body Corporate	USA	53.1	USA
Legal Software (US) Holdings Inc	Body Corporate	USA	100	USA
Legal Lead Generation Holdings Inc	Body Corporate	USA	100	USA

Consolidated entity disclosure statement (continued)

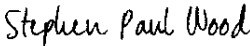
Lawlytics, Inc	Body Corporate	USA	100	USA
Legal Software (US) Enterprise Inc	Body Corporate	USA	100	USA
Legal Publishing Holdings Inc	Body Corporate	USA	100	USA
The WealthCounsel Companies, LLC	Body Corporate	USA	100	USA
Fileman Holdings US Inc.	Body Corporate	USA	100	USA
BundlePro LLC	Body Corporate	USA	100	USA
FeeWise US Corporation	Body Corporate	USA	100	USA
Super Scale Labs Private Limited	Body Corporate	India	100	India
InfoTrack Services Limited	Body Corporate	Canada	100	Canada
LawLabs Inc.	Body Corporate	Canada	100	Canada
FeeWise Canada Limited	Body Corporate	Canada	96.84	Canada
MM Software Developments Inc	Body Corporate	Canada	83.9	Canada
InfoTrack Limited	Body Corporate	NZ	100	NZ
LEAP Legal Software NZ Limited	Body Corporate	NZ	100	NZ
Migration Manager Limited (NZ)	Body Corporate	NZ	83.9	NZ
Perfect Portal (UK) Ltd	Body Corporate	UK	100	UK
ATI UK Holdings Ltd	Body Corporate	UK	100	UK
Groundsure Limited	Body Corporate	UK	100	UK
Phoenix Searches Limited	Body Corporate	UK	100	UK
InfoTrackGroup Limited	Body Corporate	UK	100	UK
Southern Tech Invest Ltd	Body Corporate	UK	100	UK
InfoTrack Limited	Body Corporate	UK	100	UK
FlintHouse Limited	Body Corporate	UK	100	UK
LandScape Software Limited (UK)	Body Corporate	UK	100	UK
STL Group PTY Ltd (UK)	Body Corporate	UK	100	UK
LEAP Legal Software UK Holdings	Body Corporate	UK	100	UK
LEAP Legal Software Ltd	Body Corporate	UK	100	UK
Ilaw Legal Limited	Body Corporate	UK	100	UK
Solicitors Own Software Limited	Body Corporate	UK	100	UK
LawPro Legal Systems Ltd	Body Corporate	UK	100	UK
LineTime Ltd	Body Corporate	UK	100	UK
WillSuite Limited	Body Corporate	UK	100	UK
Love Legal Group Ltd	Body Corporate	UK	100	UK
TrustSuite Ltd	Body Corporate	UK	100	UK
Practice Evolve UK Ltd	Body Corporate	UK	87.4	UK
FeeWise Payments Europe Limited (UK)	Body Corporate	UK	96.84	UK
Fileman (UK) Ltd	Body Corporate	UK	59	UK
LeapOffice Sp. Zoo	Body Corporate	Poland	100	Poland
LEAP Legal Software (Ireland) Limited	Body Corporate	Ireland	100	Ireland
EXPD8 Limited	Body Corporate	Ireland	100	Ireland
Rodine Ltd	Body Corporate	Ireland	100	Ireland
Practice Evolve Limited	Body Corporate	Ireland	87.4	Ireland


Directors' Declaration

In accordance with a resolution of the directors of ATI Global Limited (the Company), we state that in the opinion of the Directors:

- a) the financial statements and notes of the Company and its Subsidiaries (collectively the Group) are in accordance with the Corporations Act 2001, including:
- i. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year then ended on that date; and
 - ii. complying with Australian Accounting Standards – Simplified Disclosures and the Corporations Regulations 2001.
- 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;
- c. as at the date of this declaration, there are reasonable grounds to believe that the Company and the Subsidiary identified in Note 22 to the financial statements, will be able to meet any obligations or liabilities to which they are or may become subject to, by virtue of the Deed of Cross Guarantee between the Company and the Subsidiary; and
- d. in the directors' opinion, the consolidated entity disclosure statement required by subsection 295 (3A) is true and correct.

On behalf of the Board

DocuSigned by:

=DC0E03EA71C409
Director
Stephen Wood

DocuSigned by:

=DD9AC7307D19469
Director
Christian Beck

Sydney, 29 October 2024



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Independent auditor's report to the members of ATI Global Limited

Opinion

We have audited the financial report of ATI Global Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement 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 consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards – Simplified Disclosures and the *Corporations Regulations 2001*.

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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

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.



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Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards - Simplified Disclosures and the *Corporations Act 2001*; and
- ▶ The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ▶ The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment 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.



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- ▶ 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.

Ernst & Young

John Robinson
Partner
Sydney
29 October 2024