Microequities Asset Management Group Limited

ABN 17 110 777 056

Annual Report - 30 June 2024

Dear Fellow Shareholders,

Despite challenging inflow patterns in our asset class, we are pleased to report growth in key metrics, including Funds Under Management ('FUM'), recurring revenue, and operating profit. The main driver behind these results has been the excellent absolute and relative performance of our flagship Deep Value Fund, which celebrated its 15th year since inception with a net return (after all fees) of +15.72%. Similarly, our Pure Microcap Fund delivered a net return of +12.79%, outperforming the Small Ordinaries Accumulation Index, which returned +9.34%. Our investment management team continues to produce formidable results and demonstrate a strong value proposition to our clients by generating significant alpha. Given the high quality of our investment portfolios with growth assets, their undervalued mark-to-market prices, and substantial valuation gaps, we look to the future with confidence.

Summary of operating and financial results are provided below:

Summary Profit or Loss Statement ($000's unless stated)	**30-Jun-24**	**30-Jun-23**	**% change**
Funds Under Management ($ million)	616.2	571.8	+8%
Recurring Revenue[1]	10,294.7	9,820.1	+5%
Ongoing Operating Expenses[2]	-3,960.6	-3,788.1	-5%
Operating profit from recurring revenue	6,334.1	6,032.0	+5%
Performance fee Income	884.2	272.5	+224%
Operating profit from investment management	**7,218.3**	**6,304.5**	**+14%**
Interest revenue and other income	299.0	175.2	+71%
Distribution income and unrealised profit on investments	1,425.9	2,092.5	-32%
Employee share-based payment expense	-447.0	-581.6	-23%
Tax expense	-2,142.4	-1,878.4	+14%
Profit attributable to non-controlling interest	-363.1	-451.4	-20%
Profit from ordinary activities after tax attributable to the owners of Microequities Asset Management Group	**5,990.7**	**5,660.8**	**+6%**
Client Numbers (units)	903	945	-4%
Ongoing operating expenses to recurring revenue	38.47%	38.57%	10ps

(1) Represents management fees, admin fees and directorship fees

(2) Excludes costs related to the employee share based payment expense

Increase in FUM and Operating Profit from recurring revenue FY24

Our Funds Under Management (FUM) increased by 8% to $616.2 million in FY24, driven by strong investment performance, which more than offset a slight negative net inflow balance and a small mid-single digit decline in client numbers. Disciplined and acute cost management led to a small decline in operating expenses. The management team plans to increase operational costs for FY25 as we add sales and marketing resources to disseminate and promote our strong value proposition. Operating profit from recurring revenue increased by 5%, thanks to higher revenue from management fees and strong cost control. There was also a notable increase in performance fee income, demonstrating the benefits of our diverse product portfolio.

We are also pleased to report the launch of our Value Earth Fund last month, which combines the principles of our growth value-driven discipline with an ESG focus of 'doing well by doing good'. The Fund is off to a strong start with a significant M&A event in its first month.

Dividends

The Board of Microequities Asset Management Group Limited is pleased to declare a one point eight cents per share (1.8cps) fully franked final dividend. The dividend payment is consistent with the dividend policy of the Company, which is to pay between 70% to 100% of the cash operating profit from the investment management operations.

Balance Sheet strengthens

The Company continued to build its balance sheet strength with Net Tangible Assets increasing from $19.5 million FY23 to $21.1 million as at the close of FY24. The business now owns $16.6 million of financial assets across the product offering. The business has a net cash position of $4.5million.

FY25 Outlook

While we remain frustrated by the anaemic inflows into the asset class, FY24 has once again demonstrated the value we deliver for our clients and the strength of our business model for our shareholders. We have assembled the highest quality investment portfolios in our history, giving us great confidence in our medium- and long-term investment outlook. Our investment success is intrinsically linked to the overall success of our business.

In FY25, we will focus on increasing our sales and marketing resources to communicate our strong value proposition and the exceptional opportunities within our investment portfolios, which we believe are the best in three decades, barring systemic shock events. It is incumbent upon us to continue highlighting both the virtues of this asset class and the exceptional value we create for our clients through our discerning approach to long-term capital allocation in exceptional small and microcap businesses across Australia and the world.

We take this opportunity to thank our clients for their confidence and loyalty, our shareholders for their partnership, and our colleagues who work tirelessly alongside us as we strive to achieve our objectives for all stakeholders.

Carlos Gil
Chief Executive Officer, Chief Investment Officer

16 August 2024

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Microequities Asset Management Group Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

Directors
The following persons were directors of Microequities Asset Management Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Leslie Szekely - Chairman
Carlos Gil
Samuel Gutman
Dr Alexander Abrahams

Principal activities
During the financial year, the principal continuing activities of the Group consisted of the management of investment funds.

Dividends
Dividends paid/payable during the financial year were as follows:

	Consolidated	
	2024 $	2023 $
Final dividend for the year ended 30 June 2023 of 1.5 cents per ordinary share (2023: 2.0 cents)	1,996,176	2,672,329
Interim dividend for the year ended 30 June 2024 of 1.8 cents per ordinary share (2023: 1.8 cents)	2,386,194	2,399,800
	4,382,370	5,072,129

On 16 August 2024, the directors declared a fully franked dividend for the year ended 30 June 2024 of 1.8 cents per ordinary share, to be paid on 5 September 2024 to eligible shareholders on the register as at 23 August 2024. This equates to a total estimated dividend of $2,355,083 based on the number of ordinary shares on issue as at 30 June 2024. The financial effect of dividends declared after the reporting date are not reflected in the financial statements and will be recognised in subsequent financial statements.

Review of operations
The profit for the Group after providing for income tax and non-controlling interest amounted to $5,990,697 (30 June 2023: $5,660,810).

Refer to Chief Executive Officer's report for further commentary on the review of operations.

Significant changes in the state of affairs
In May 2024, the Group entered into a banking facility of $5,000,000 to support investment in the Group's managed funds. Principal and interest is payable over 60 monthly instalments from the Loan date. Refer to note 15 of the notes to the financial statements for further details.

There were no other significant changes in the state of affairs of the Group during the financial year.

Matters subsequent to the end of the financial year
Apart from the dividend declared as discussed above, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations
Likely developments in the operations of the Group and the expected results of those operations are contained in the Chief Executive Officer's report.

Environmental regulation
The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Business risks
The following is a summary of material business risks that could adversely affect the Group's financial performance and growth potential in future years and how the Group propose to mitigate such risks.

Market price risks
The Group's financial performance can be impacted by current and future economic conditions that it cannot control, such as changes to market prices of current and potential investee entities. The Group stays abreast of these conditions, focusing on diversifying the product portfolio including Private Equity and Alternative Assets to manage these risks.

Risks of losing key personal
The Group has a high performing and experienced team of employees. The risk of losing key personnel in a highly competitive market can adversely impact the Group's performance. The Group has implemented long-term incentive schemes to retain and incentivise staff and developed a strong corporate culture that promotes empowerment, engagement and input to mitigate such risks.

Information on directors

Name:	Leslie Szekely
Title:	Non-Executive Director and Chairman
Qualifications:	Bachelor of Arts, Bachelor of Law from the University of New South Wales and Master of Law from Sydney University
Experience and expertise:	Leslie worked as a solicitor before teaching commercial and revenue law at the University of New South Wales and Sydney University. He was a tax consulting partner with Horwath Chartered Accountants for 20 years, until Horwath merged with Deloitte, when he became Director of Taxation in Deloitte Growth Solutions. Leslie has authored numerous books and articles on taxation law. Since leaving Deloitte in 2008, Leslie has dedicated his time to angel and venture capital ('VC') investing. He is Chairman of the Investment Committee for the Microequities VC Fund and sits on the Boards of several unlisted companies. His focus is the development of business strategy in sectors undergoing digital disruption.
Other current directorships:	Siteminder Limited (ASX: SDR)
Former directorships (last 3 years):	No other listed entity directorships
Special responsibilities:	Chairperson of the Nomination and Remuneration Committee and Member of the Audit and Risk Management Committee
Interests in shares:	18,947,357 ordinary shares
Interests in options:	None
Interests in rights:	None

Name:	Carlos Gil
Title:	Managing Director, Chief Executive Officer and Chief Investment Officer
Qualifications:	Bachelor of Economics from Sydney University, a Graduate Diploma in Applied Finance and Investment Analysis from the Australian Securities Institute and a Master's in Applied Finance and Investment Analysis from the Financial Services Institute of Australia.
Experience and expertise:	Carlos has worked in stockbroking, funds management, and investment research for over 20 years and has been an individual investor in Australian Microcaps since he was a teenager. Carlos has held various senior management positions in Europe, including roles as Head of International Securities at BM Securities, and at Banesto Bank (Santander Group). Upon his return to Australia, he founded the Company with a long-term vision of creating a value-driven specialist Microcap and Small Cap Fund Manager.
Other current directorships:	Smartpay Holdings Limited (ASX: SMP)
Former directorships (last 3 years):	No other listed entity directorships
Special responsibilities:	Member of the Nomination and Remuneration Committee
Interests in shares:	53,714,560 ordinary shares
Interests in options:	None
Interests in rights:	2,222,222 performance rights

Name:	Samuel Gutman
Title:	Executive Director and Company Secretary
Qualifications:	Bachelor of Arts from the University of Newcastle (Australia) and a Graduate Diploma of Applied Finance and Investments from the Financial Services Institute of Australia
Experience and expertise:	Samuel brings a wealth of invaluable pragmatic business experience to the management team obtained through a successful career in the Information Technology industry. Samuel has been a long time personal investor in the Microcap asset class and adamantly shares the investment philosophy of the Microequities team.
Other current directorships:	No other listed entity directorships
Former directorships (last 3 years):	No other listed entity directorships
Special responsibilities:	Member of the Audit and Risk Management Committee
Interests in shares:	23,000,000 ordinary shares
Interests in options:	None
Interests in rights:	493,827 performance rights

Name:	Dr Alexander Abrahams
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Dental Surgery (Dentistry), Sydney University
Experience and expertise:	Dr Abrahams is the founder of the ASX listed Pacific Smiles Group (ASX: PSQ). Dr Abrahams is also a director and Chair of healthcare businesses including Medical First Group Pty Limited, a multi-site GP Practice business, Enzo4D Pty Limited, a Dental Implant, Denture and laboratory business and non-executive director of Group Homes Australia Pty Limited, focusing on 24/7 dementia care in dedicated homes of 6-10 residents. He and his family co-founded the Chair of Lifespan Oral Health at the University of Sydney. Dr Abrahams brings considerable business development expertise and commercial business acumen to the board. Dr Abrahams is a value investor, with long term horizons, focusing on innovative business models with a strong owner/manager mentality. Dr Abrahams is focused on building intergenerational wealth and security and being able to give back.
Other current directorships:	No other listed entity directorships
Former directorships (last 3 years):	No other listed entity directorships
Special responsibilities:	Chairman of the Audit and Risk Management Committee and Member of the Nomination and Remuneration Committee
Interests in shares:	795,810 ordinary shares
Interests in options:	None
Interests in rights:	None

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Samuel Gutman is the company secretary. Samuel's experience is detailed in the 'Information on directors' section above.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Management Committee	
	Attended	Held	Attended	Held	Attended	Held
Leslie Szekely	11	11	2	2	2	2
Carlos Gil	11	11	2	2	-	-
Samuel Gutman	11	11	-	-	2	2
Dr Alexander Abrahams	10	11	2	2	2	2

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

Remuneration report (audited)

The remuneration report details the key management personnel ('KMP') remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

KMP are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to KMP

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Nomination and Remuneration Committee ('NRC') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage/alignment of executive compensation; and
- transparency.

The NRC is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The NRC has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The NRC has considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

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

Non-executive directors' remuneration

Non-executive directors each have a letter of appointment with the Group. Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the NRC. The NRC may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors do not receive share options or other incentives.

As prescribed by the Listing Rules of the ASX, the aggregate remuneration of non-executive directors is determined from time to time by shareholders at the general meeting. Non-executive directors' fees (including statutory superannuation) are determined within an aggregate directors' fee pool limit. The pool currently stands at a maximum of $300,000 per annum in total, which was approved by shareholders on 16 February 2018.

The annual base non-executive director fees payable by the Group are $60,000 to the chairman and $55,000 to other non-executive directors, including for any committee roles. These amounts comprise fees paid in cash and are inclusive of statutory superannuation contributions.

Executive remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits;
- short-term performance incentives;
- long-term incentives; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the NRC based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits.

No short-term incentive ('STI') payments were made during the year.

The long-term incentives ('LTI') include long service leave and share-based payments. Shares, options or performance rights are awarded to executives over a period of 3 to 4 years based on long-term incentive measures. These include increase in shareholder value, increase in funds under management, performance of the funds and financial performance of the business. The options, performance rights and loan shares vest between 3 and 4 years and are contingent upon employment or service with the Group on the vesting date and the satisfaction of certain vesting conditions.

The NRC reviewed the long-term equity-linked performance incentives specifically for executives during the financial year ended 30 June 2024. Refer to the 'share-based compensation' section below for further details of LTI awards issued by the Group.

Group performance and link to remuneration
LTI comprising of share-based payments are directly linked to the performance of the Group. Performance rights, loan shares and options have various vesting conditions including a continuous period of service with the Group and performance of underlying Funds and the business.

Use of remuneration consultants
During the financial year ended 30 June 2024, the Group did not engage any remuneration consultants.

Voting and comments made at the Company's 2023 Annual General Meeting ('AGM')
At the 2023 AGM, shareholders voted to approve the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of KMP of the Group are set out in the following tables. The KMP of the Group consisted of the directors of Microequities Asset Management Group Limited.

2024	Short-term benefits Cash salary and fees $	Cash bonus $	Non-monetary $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled $	Cash settled $	Total $
Non-Executive Directors:								
Leslie Szekely - Chairman	54,054	-	-	5,946	-	-	-	60,000
Dr Alexander Abrahams	49,550	-	-	5,450	-	-	-	55,000
Executive Directors:								
Carlos Gil	585,645	-	-	27,500	88,493	-	199,460	901,098
Samuel Gutman	250,814	-	-	27,407	18,909	-	44,324	341,454
	940,063	-	-	66,303	107,402	-	243,784	1,357,552

2023	Short-term benefits Cash salary and fees $	Cash bonus $	Non-monetary $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled $	Cash settled $	Total $
Non-Executive Directors:								
Leslie Szekely - Chairman	54,545	-	-	5,727	-	-	-	60,272
Dr Alexander Abrahams	50,000	-	-	5,250	-	-	-	55,250
Executive Directors:								
Carlos Gil	617,467	-	-	25,292	(81,876)	-	336,706	897,589
Samuel Gutman	266,873	-	-	25,292	(20,515)	-	74,824	346,474
	988,885	-	-	61,561	(102,391)	-	411,530	1,359,585

Non-executive directors' salaries are 100% fixed. The fixed proportion and the proportion of remuneration linked to performance of executive directors and KMP are as follows:

Name	Fixed remuneration 2024	2023	At risk - STI 2024	2023	At risk - LTI 2024	2023
Executive directors:						
Carlos Gil	78%	62%	-	-	22%	38%
Samuel Gutman	87%	78%	-	-	13%	22%

Service agreements

The Group enters into employment agreements with its executives. The agreements are continuous, that is, not of a fixed duration, and includes notice period ranging from four weeks to three months on the part of the employee and the Group.

The employment agreements contain substantially the same terms which include usual statutory entitlements, typical confidentiality and intellectual property provisions intended to protect the Group's intellectual property rights and other proprietary information and non-compete clauses.

Share-based compensation

Issue of shares

There were no shares issued to directors and other KMP as part of compensation during the year ended 30 June 2024.

Options

There were no options over ordinary shares issued to directors and other KMP as part of compensation that were outstanding as at 30 June 2024.

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other KMP in this financial year or future reporting years are as follows:

Grant date	Particulars	Vesting date	Fair value per right at grant date
20/05/2022	Samuel Gutman 493,827 rights: The Group has agreed to pay Samuel Gutman a bonus in February 2026 if certain performance hurdles relating to the Funds are met and he is still employed by the Group. The Group can elect to settle the bonus in cash, if consented by Samuel or by way of an issue of shares. The amount of the bonus will be calculated in accordance with a formula based on the market price of the shares at the time the bonus is payable multiplied by the vesting percentage (which will range from 0% to 100% depending on the number of Funds that meet the performance hurdle). Each Fund has its own performance hurdles which are all 5% above the compound annual return of the relevant benchmark. In calculating the share-based payment expense for performance rights, the NRC has reviewed the historical performance of the funds which have at least 2 years track record. Based on the review, the NRC has applied a 100% probability of meeting the performance conditions.	28/02/2026	$0.481
20/05/2022	Carlos Gil 2,222,222 rights: The Group has agreed to pay Carlos Gil a bonus in February 2026 if certain performance hurdles relating to the Funds are met and he is still employed by the Group. The Group can elect to settle the bonus in cash, if consented by Carlos or by way of an issue of shares. The amount of the bonus will be calculated in accordance with a formula based on the market price of the shares at the time the bonus is payable multiplied by the vesting percentage (which will range from 0% to 100% depending on the number of Funds that meet the performance hurdle). Each Fund has its own performance hurdles which are all 5% above the compound annual return of the relevant benchmark. In calculating the share-based payment expense for performance rights, the NRC has reviewed the historical performance of the funds which have at least 2 years track record. Based on the review, the NRC has applied a 100% probability of meeting the performance conditions.	28/02/2026	$0.481

Performance rights granted carry no dividend or voting rights.

There were no performance rights over ordinary shares granted to or vested in directors and other key management personnel as part of compensation during the year ended 30 June 2024.

Additional information
The earnings of the Group for the five years to 30 June 2024 are summarised below:

	2024 $	2023 $	2022 $	2021 $	2020 $
Sales revenue*	11,477,900	10,267,802	23,991,094	20,251,529	7,590,841
Profit after income tax	5,990,697	5,660,810	14,114,211	14,012,711	3,344,099

* Sales revenue includes revenue from contracts with customers and interest revenue.

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023	2022	2021	2020
Share price at financial year end ($)	0.54	0.61	0.64	0.70	0.30
Total dividends declared (cents per share)	3.30	3.80	11.00	3.00	2.00
Basic earnings per share (cents per share)	4.57	4.33	10.85	10.76	2.56
Diluted earnings per share (cents per share)	4.50	4.29	10.79	10.53	2.52

Additional disclosures relating to KMP

Shareholding
The number of shares in the Company held during the financial year by each director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Leslie Szekely*	18,947,357	-	-	-	18,947,357
Carlos Gil	53,634,560	-	80,000	-	53,714,560
Samuel Gutman	23,000,000	-	-	-	23,000,000
Dr Alexander Abrahams	795,810	-	-	-	795,810
	96,377,727	-	80,000	-	96,457,727

* Leslie Szekely, the Chairman, holds 50% of the shares in Equity Venture Partners Pty Ltd ACN 600 735 626 ('EVP') through Bellite Pty Ltd ACN 056 441 386, a company controlled by him. EVP (as trustee for the EVP Trust) is a limited partner of Microequities Venture Capital Managing Partnership LP which acts as general partner of the Microequities Venture Capital Fund LP.

Performance rights holding
The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of KMP of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Carlos Gil	2,222,222	-	-	-	2,222,222
Samuel Gutman	493,827	-	-	-	493,827
	2,716,049	-	-	-	2,716,049

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of Microequities Asset Management Group Limited under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of Microequities Asset Management Group Limited issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

Shares under performance rights
Ordinary shares of Microequities Asset Management Group Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
20/05/2022	28/02/2026	$0.000	2,716,049

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the Company or of any other body corporate.

Shares issued on the exercise of performance rights
There were no ordinary shares of Microequities Asset Management Group Limited issued on the exercise of performance rights during the year ended 30 June 2024 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

Officers of the Company who are former partners of BDO Audit Pty Ltd
There are no officers of the Company who are former partners of BDO Audit Pty Ltd.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors

Leslie Szekely Chairman	Carlos Gil Chief Executive Officer

16 August 2024

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Australia

DECLARATION OF INDEPENDENCE BY TIM AMAN TO THE DIRECTORS OF MICROEQUITIES ASSET MANAGEMENT GROUP LIMITED

As lead auditor of Microequities Asset Management Group Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Microequities Asset Management Group Limited and the entities it controlled during the period.

Tim Aman

Tim Aman
Director

BDO Audit Pty Ltd
Sydney
16 August 2024

	Note	Consolidated 2024 $	Consolidated 2023 $
Revenue from contracts with customers	5	11,251,517	10,139,628
Other income and gain on investments	6	1,425,874	2,092,512
Interest revenue calculated using the effective interest method		226,383	128,174
Expenses			
Employee benefits expenses		(2,971,606)	(3,026,892)
Depreciation expenses	7	(207,225)	(239,574)
Legal and professional expenses		(299,208)	(190,941)
Advertising expenses		(129,273)	(227,404)
Occupancy expenses		(70,414)	(57,023)
Interest expenses	7	(40,842)	(11,055)
Other expenses		(689,005)	(616,759)
Profit before income tax expense		8,496,201	7,990,666
Income tax expense	8	(2,142,449)	(1,878,415)
Profit after income tax expense for the year		6,353,752	6,112,251
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		6,353,752	6,112,251
Profit for the year is attributable to:			
Non-controlling interest		363,055	451,441
Owners of Microequities Asset Management Group Limited		5,990,697	5,660,810
		6,353,752	6,112,251
Total comprehensive income for the year is attributable to:			
Non-controlling interest		363,055	451,441
Owners of Microequities Asset Management Group Limited		5,990,697	5,660,810
		6,353,752	6,112,251
		Cents	**Cents**
Basic earnings per share	29	4.57	4.33
Diluted earnings per share	29	4.50	4.29

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

	Note	Consolidated 2024 $	Consolidated 2023 $
Assets			
Current assets			
Cash and cash equivalents	9	9,501,780	6,198,021
Trade and other receivables	10	1,629,241	1,379,694
Other assets	11	356,368	378,407
Total current assets		11,487,389	7,956,122
Non-current assets			
Financial assets at fair value through profit or loss	12	16,645,317	13,246,891
Right-of-use assets	13	310,837	518,062
Total non-current assets		16,956,154	13,764,953
Total assets		28,443,543	21,721,075
Liabilities			
Current liabilities			
Trade and other payables	14	702,529	581,359
Employee benefits	16	417,428	300,106
Borrowings	15	831,128	-
Lease liabilities	17	227,401	205,763
Income tax payable	8	174,814	274,549
Total current liabilities		2,353,300	1,361,777
Non-current liabilities			
Employee benefits	16	726,748	479,942
Borrowings	15	4,097,950	-
Lease liabilities	17	120,530	347,931
Deferred tax liabilities	8	60,904	32,870
Total non-current liabilities		5,006,132	860,743
Total liabilities		7,359,432	2,222,520
Net assets		21,084,111	19,498,555
Equity			
Issued capital	18	2,566,124	2,875,370
Reserves	19	456,382	253,167
Retained earnings		17,978,320	16,369,993
Equity attributable to the owners of Microequities Asset Management Group Limited		21,000,826	19,498,530
Non-controlling interest		83,285	25
Total equity		21,084,111	19,498,555

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

Consolidated	Issued capital $	Reserves $	Retained earnings $	Non-controlling interest $	Total equity $
Balance at 1 July 2022	2,973,619	80,189	15,781,312	10	18,835,130
Profit after income tax expense for the year	-	-	5,660,810	451,441	6,112,251
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	5,660,810	451,441	6,112,251
Transactions with owners in their capacity as owners:					
Share buy-back (note 18)	(125,274)	-	-	-	(125,274)
Changes to treasury shares (note 18)	27,025	-	-	-	27,025
Share-based payments (note 30)	-	172,978	-	-	172,978
Contributions of equity by non-controlling interest	-	-	-	15	15
Distribution of profits to non-controlling interest	-	-	-	(451,441)	(451,441)
Dividends paid (note 20)	-	-	(5,072,129)	-	(5,072,129)
Balance at 30 June 2023	2,875,370	253,167	16,369,993	25	19,498,555

Consolidated	Issued capital $	Reserves $	Retained earnings $	Non-controlling interest $	Total equity $
Balance at 1 July 2023	2,875,370	253,167	16,369,993	25	19,498,555
Profit after income tax expense for the year	-	-	5,990,697	363,055	6,353,752
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	5,990,697	363,055	6,353,752
Transactions with owners in their capacity as owners:					
Share buy-back (note 18)	(309,246)	-	-	-	(309,246)
Share-based payments (note 30)	-	203,215	-	-	203,215
Distribution of profits to non-controlling interest	-	-	-	(279,795)	(279,795)
Dividends paid (note 20)	-	-	(4,382,370)	-	(4,382,370)
Balance at 30 June 2024	2,566,124	456,382	17,978,320	83,285	21,084,111

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

	Note	Consolidated 2024 $	Consolidated 2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		12,293,986	11,105,305
Payments to suppliers and employees (inclusive of GST)		(4,574,106)	(4,695,385)
Dividends and distributions received		470,853	906,168
Interest received		216,114	114,523
Interest and other finance costs paid		(40,112)	(11,055)
Income taxes paid		(2,214,150)	(1,466,312)
Net cash from operating activities	28	6,152,585	5,953,244
Cash flows from investing activities			
Payments for investments		(2,600,000)	(900,000)
Proceeds from release of security deposits		-	240,329
Net cash used in investing activities		(2,600,000)	(659,671)
Cash flows from financing activities			
Contributed capital by non-controlling interest		-	15
Repayments under loan funded share plan	18	-	27,025
Payments for share buy-backs	18	(309,246)	(125,274)
Proceeds from borrowings		5,000,000	-
Repayment of borrowings		(27,823)	-
Borrowing costs paid		(43,829)	-
Repayment of lease liabilities	28	(205,763)	(202,383)
Distribution of profits to non-controlling entity		(279,795)	(451,441)
Dividends paid	20	(4,382,370)	(5,072,129)
Net cash used in financing activities		(248,826)	(5,824,187)
Net increase/(decrease) in cash and cash equivalents		3,303,759	(530,614)
Cash and cash equivalents at the beginning of the financial year		6,198,021	6,728,635
Cash and cash equivalents at the end of the financial year	9	9,501,780	6,198,021

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

Note 1. General information

The financial statements cover Microequities Asset Management Group Limited as a Group consisting of Microequities Asset Management Group Limited (the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (referred to as the 'Group'). The financial statements are presented in Australian dollars, which is Microequities Asset Management Group Limited's functional and presentation currency.

Microequities Asset Management Group Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 3105, Level 31 Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 16 August 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 31.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Microequities Asset Management Group Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Microequities Asset Management Group Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Note 2. Material accounting policy information (continued)

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

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

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

Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Management fees
Fees from management services are recognised over time when the services are provided. The measurement of the management fee component of revenue is based on the portfolio managed, net of any fund manager rebates.

Performance fees
The performance fee component of revenue is recognised at the time when the right to receive payment has been established. Performance fees which are contingent upon performance to be determined at future dates have not been recognised as revenue or as a receivable at the reporting date as they are not able to be estimated or measured reliably and may change significantly.

Dividends and distributions
Dividends and distributions are recognised when received or when the right to receive payment is established.

Note 2. Material accounting policy information (continued)

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

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

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Microequities Asset Management Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

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 tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

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

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

Note 2. Material accounting policy information (continued)

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is 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 12 months after the reporting period. All other liabilities are classified as non-current.

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

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 7 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss
Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

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

Note 2. Material accounting policy information (continued)

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

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities

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

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

Finance costs

Finance costs are expensed in the period in which they are incurred.

Employee benefits

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

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

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

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares (including performance rights and loan funded shares), that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the Company's share price.

Note 2. Material accounting policy information (continued)

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they had vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

When the Group chooses to settle an award in cash, the cash payment is accounted for as the repurchase of an equity interest. However, if the cash settlement option has the higher fair value, the Group recognises an additional expense for the excess value given.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers

Note 2. Material accounting policy information (continued)

between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Microequities Asset Management Group Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

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

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

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

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

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

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements
This standard is applicable to annual reporting periods beginning on or after 1 January 2027, with early adoption permitted. The standard replaces AASB 101 'Presentation of Financial Statements', although many of the requirements have been carried forward unchanged and is accompanied by limited amendments to the requirements in AASB 107 ‘Statement of Cash Flows’. The standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of profit or loss and other comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard

Note 2. Material accounting policy information (continued)

provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The Group will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of profit or loss and other comprehensive income.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

The Group can elect to settle performance rights in the form of a bonus in cash or by way of an issue of shares. The fair value of such performance rights are accounted over the vesting period as cash settled share-based payment based on the current expectation of settlement.

Fair value measurement hierarchy
The Group is required to classify all assets and liabilities, measured 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; and Level 3: Unobservable inputs for the asset or liability.

Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. Refer to note 22 for the details of fair value measurement including the key assumption used.

Note 4. Operating segments

The main business activities of the Group are the provision of funds management services. The Board of Directors is identified as the Chief Operating Decision Makers ('CODM'), and it considers the performance of the main business activities on an aggregated basis to determine the allocation of resources.

Other activities undertaken by the Group, including investing activities, are incidental to the main business activities.

Based on the internal reports that are used by the CODM, the Group has one operating segment being the provision of funds management services with the objective of offering investment funds to wholesale and sophisticated investors. There is no aggregation of operating segments.

The operating segment information is the same information as provided throughout the financial statements and is therefore not duplicated for the purposes of segment disclosure. The Group operates only in Australia and information on revenue from products and services is included in note 5 'Revenue from contracts with customers'. Credit risk exposure is included in note 21 'Financial instruments'.

The information reported to the CODM is on a monthly basis.

Note 5. Revenue from contracts with customers

	Consolidated 2024 $	Consolidated 2023 $
Management fees	10,196,976	9,698,832
Performance fees	884,234	272,503
Other revenue	170,307	168,293
Revenue from contracts with customers	11,251,517	10,139,628

Disaggregation of revenue
All revenue is generated in Australia and revenue is recognised over time.

Note 6. Other income and gain on investments

	Consolidated 2024 $	Consolidated 2023 $
Dividends and distributions	1,156,823	1,398,205
Unrealised gain on investments	269,051	694,307
Other income and gain on investments	1,425,874	2,092,512

Note 7. Expenses

	Consolidated 2024 $	Consolidated 2023 $
Profit before income tax includes the following specific expenses:		
Depreciation		
Office premises right-of-use assets	207,225	239,574
Finance costs		
Interest and finance charges paid/payable on borrowings	19,615	-
Interest and finance charges paid/payable on lease liabilities	21,227	11,055
Finance costs expensed	40,842	11,055
Superannuation expense		
Defined contribution superannuation expense	196,367	201,117

Note 8. Income tax

	Consolidated 2024 $	Consolidated 2023 $
Income tax expense		
Current tax	2,127,248	1,670,840
Deferred tax - origination and reversal of temporary differences	28,034	207,575
Adjustment recognised for prior periods	(12,833)	-
Aggregate income tax expense	2,142,449	1,878,415
Deferred tax included in income tax expense comprises:		
Decrease in deferred tax assets	28,034	207,575
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	8,496,201	7,990,666
Tax at the statutory tax rate of 25%	2,124,050	1,997,667
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Share-based payments	111,750	145,389
Tax impact of franked dividends received	-	(35,728)
Non-taxable income attributable to non-controlling interest	(71,612)	(89,124)
Sundry items	184	-
Tax deferred on trust distributions	(9,090)	(139,789)
	2,155,282	1,878,415
Adjustment recognised for prior periods	(12,833)	-
Income tax expense	2,142,449	1,878,415

	Consolidated 2024 $	Consolidated 2023 $
Deferred tax (liability)/asset		
Deferred tax (liability)/asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Employee benefits	109,022	78,936
Accrued expenses	10,729	(56)
Blackhole expenditure	(21,712)	(21,712)
Unrealised loss/(gain) on investments	(158,943)	(90,038)
Deferred tax liability	(60,904)	(32,870)
Movements:		
Opening balance	(32,870)	174,705
Charged to profit or loss	(28,034)	(207,575)
Closing balance	(60,904)	(32,870)

Note 8. Income tax (continued)

	Consolidated 2024 $	Consolidated 2023 $
Provision for income tax		
Provision for income tax	174,814	274,549

Note 9. Cash and cash equivalents

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Cash at bank and on hand	9,501,780	6,198,021

Note 10. Trade and other receivables

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Trade receivables	979,345	899,443
Other receivable	28,198	25,417
Trust distribution receivable	596,602	440,007
Interest receivable	25,096	14,827
	1,629,241	1,379,694

Allowance for expected credit losses
The Group has recognised a loss of $nil (2023: $nil) in profit or loss in respect of the expected credit losses for the year ended 30 June 2024.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate 2024 %	Expected credit loss rate 2023 %	Carrying amount 2024 $	Carrying amount 2023 $	Allowance for expected credit losses 2024 $	Allowance for expected credit losses 2023 $
Not overdue	-	-	979,345	899,443	-	-

Note 11. Other assets

	Consolidated 2024 $	Consolidated 2023 $
Current assets		
Prepayments	93,669	115,708
Security deposits	213,608	213,608
Other assets	49,091	49,091
	356,368	378,407

Note 12. Financial assets at fair value through profit or loss

	Consolidated 2024 $	2023 $
Non-current assets		
Investment in unlisted Australian unit trusts - designated at fair value through profit or loss	16,645,317	13,246,891

Refer to note 22 for further information on fair value measurement.

Note 13. Right-of-use assets

	Consolidated 2024 $	2023 $
Non-current assets		
Right-of-use assets	1,484,383	1,484,383
Less: Accumulated depreciation	(1,173,546)	(966,321)
	310,837	518,062

The Group leases office premises under an operating lease expiring in December 2025. The lease has various escalation clauses. On renewal, the terms of the lease are renegotiated.

Reconciliations

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

Consolidated	Office Premises $
Balance at 1 July 2022	717,391
Additions	40,245
Depreciation expense	(239,574)
Balance at 30 June 2023	518,062
Depreciation expense	(207,225)
Balance at 30 June 2024	310,837

For other AASB 16 lease-related disclosures refer to the following:

- note 7 for details of interest on lease liabilities and other lease expenses;
- note 17 and note 28 for details of lease liabilities at the beginning and end of the reporting period;
- note 21 for the maturity analysis of lease liabilities; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 14. Trade and other payables

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Trade payables	246,642	192,561
Accruals and other payables	455,887	388,798
	702,529	581,359

Refer to note 21 for further information on financial instruments.

Note 15. Borrowings

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Bank loans	831,128	-
Non-current liabilities		
Bank loans	4,141,049	-
Capitalised borrowing costs	(43,099)	-
	4,097,950	-
	4,929,078	-

Refer to note 21 for further information on financial instruments.

In May 2024, the Group entered into a banking facility of $5,000,000 to support investment in the Group's managed funds. Principal and interest is payable over 60 monthly instalments from the Loan date. The bank loan facility is secured by all present and after acquired property of the Group. The interest comprises a base rate plus a variable margin with total indicative variable rate of 8.85% per annum. Redraw is not available on the facility.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2024 $	Consolidated 2023 $
Total facilities		
Bank loans	4,972,177	-
Used at the reporting date		
Bank loans	4,972,177	-
Unused at the reporting date		
Bank loans	-	-

Note 16. Employee benefits

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Annual leave and long service leave	417,428	300,106
Non-current liabilities		
Long service leave	19,716	16,694
Cash settled share-based payment	707,032	463,248
	726,748	479,942
	1,144,176	780,048

Note 17. Lease liabilities

	Consolidated 2024 $	Consolidated 2023 $
Current liabilities		
Lease liability	227,401	205,763
Non-current liabilities		
Lease liability	120,530	347,931
	347,931	553,694

Refer to note 13 for details of lease maturity and other terms.

Refer to note 21 for further information on financial instruments.

Note 18. Issued capital

	Consolidated 2024 Shares	2023 Shares	2024 $	2023 $
Ordinary shares - fully paid	132,566,339	133,085,356	4,217,730	4,526,976
Less: Treasury shares	(1,728,395)	(1,728,395)	(1,651,606)	(1,651,606)
	130,837,944	131,356,961	2,566,124	2,875,370

Movements in ordinary share capital

Details	Date	Shares	$
Balance	1 July 2022	133,616,429	4,652,250
Share buy-back	21 September 2022	(48,368)	(31,954)
Share buy-back	2 November 2022	(48,268)	(27,782)
Cancelation of shares under Employee Share Trust Plan	9 January 2023	(148,148)	-
Cancelation of shares under Employee Share Trust Plan	13 February 2023	(49,383)	-
Cancelation of shares under Employee Share Trust Plan	8 March 2023	(123,457)	-
Share buy-back	2 May 2023	(19,204)	(10,867)
Share buy-back	5 May 2023	(53,191)	(29,808)
Share buy-back	29 June 2023	(41,054)	(24,863)
Balance	30 June 2023	133,085,356	4,526,976
Share buy-back	3 July 2023	(6,983)	(4,229)
Share buy-back	18 August 2023	(20,358)	(12,133)
Share buy-back	25 August 2023	(58,688)	(33,486)
Share buy-back	31 August 2023	(96,413)	(52,603)
Share buy-back	4 September 2023	(2,348)	(1,268)
Share buy-back	5 September 2023	(7,031)	(4,043)
Share buy-back	7 September 2023	(25,919)	(14,659)
Share buy-back	8 September 2023	(1,469)	(801)
Share buy-back	12 September 2023	(3,957)	(2,159)
Share buy-back	18 September 2023	(11,013)	(6,339)
Share buy-back	22 September 2023	(48,838)	(26,826)
Share buy-back	22 February 2024	(236,000)	(150,700)
Balance	30 June 2024	132,566,339	4,217,730

Movements in Treasury shares

Details	Date	Shares	$
Balance	1 July 2022	(2,836,583)	(1,678,631)
Repayment of loan and settlement of treasury shares		787,200	27,025
Cancelation of shares under Employee Share Trust Plan	9 January 2023	148,148	-
Cancelation of shares under Employee Share Trust Plan	13 February 2023	49,383	-
Cancelation of shares under Employee Share Trust Plan	8 March 2023	123,457	-
Balance	30 June 2023	(1,728,395)	(1,651,606)
Balance	30 June 2024	(1,728,395)	(1,651,606)

Note 18. Issued capital (continued)

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Treasury shares
Treasury shares comprise of 1,728,395 (2023: 1,728,395) shares issued under an Employee Share Trust Plan.

Employee Share Trust Plan ('ESTP').
The Company has established the ESTP to deliver long-term incentives to eligible employees. The trustee of the Share Trust is a wholly owned subsidiary of the Company. The acquisition of the shares under the ESTP is fully funded by the Company. These shares are recorded as treasury shares representing a deduction against issued capital. The eligible employees are issued with units in the Share Trust. Each unit in the Share Trust is converted to one share in the Company upon satisfaction of the relevant vesting conditions. The issue of units in the Share Trust have been accounted for as a share-based payment. Refer to note 30 for further details.

Share buy-back
During the financial year, the Company bought back 519,017 shares at a cost of $309,246. The buy-back program is expected to expire on 8 November 2024.

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.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

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 Company holds an Australian Financial Services License and is subject to regulatory financial requirements that include maintaining a minimum level of net tangible assets. The directors believe the Group has adequate capital as at 30 June 2024 to maintain the Group's existing business activities and facilitate growth.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

Note 19. Reserves

	Consolidated	
	2024 $	2023 $
Share-based payments reserve	456,382	253,167

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 19. Reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments $
Balance at 1 July 2022	80,189
Share-based payments	172,978
Balance at 30 June 2023	253,167
Share-based payments	203,215
Balance at 30 June 2024	456,382

Note 20. Dividends

Dividends
Dividends paid/payable during the financial year were as follows:

	Consolidated 2024 $	2023 $
Final dividend for the year ended 30 June 2023 of 1.5 cents per ordinary share (2023: 2.0 cents)	1,996,176	2,672,329
Interim dividend for the year ended 30 June 2024 of 1.8 cents per ordinary share (2023: 1.8 cents)	2,386,194	2,399,800
	4,382,370	5,072,129

On 16 August 2024, the directors declared a fully franked dividend for the year ended 30 June 2024 of 1.8 cents per ordinary share, to be paid on 5 September 2024 to eligible shareholders on the register as at 23 August 2024. This equates to a total estimated dividend of $2,355,083 based on the number of ordinary shares on issue as at 30 June 2024. The financial effect of dividends declared after the reporting date are not reflected in the financial statements and will be recognised in subsequent financial statements.

Franking credits

	Consolidated 2024 $	2023 $
Franking credits available for subsequent financial years based on a tax rate of 25% (2023: 25%)	6,136,867	5,595,242

The above amounts represent the balance of the franking account as at the end of the financial year, adjusted for:
- franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date
- franking debits that will arise from the payment of dividends recognised as a liability at the reporting date
- franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date

Note 21. Financial instruments

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. Given the long-term nature of the investments, the Group's overall risk management program focuses on the underlying value of the investments rather than short-term fluctuations in market price. The Group regularly reviews the investment case and performance of the investments as well as other different methods to measure different types of risk to which it is exposed, including sensitivity analysis.

In particular, the Group manages the investments of certain funds where it is entitled to receive management fees and fees contingent upon performance of the portfolio managed. These fees are exposed to significant risk associated with the funds' performance, including market risks and liquidity risk as detailed below.

Risk management is carried out by the investment management team in accordance with the investment mandate of each fund.

Market risk

Foreign currency risk

Foreign exchange risk arises from recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The Group is not exposed to any significant foreign currency risk.

Price risk

Price risk is the risk that the fair value of investments decreases as a result of changes in market prices, whether those changes are caused by factors specific to the individual equity securities or managed investment funds or factors affecting all financial instruments in the market. Price risk exposure arises from the Group's investment portfolio.

Price risk is managed by monitoring the underlying value of the investments in relation to the price of the investments and also taking a long-term investment time frame into account.

The Group is exposed to direct equity price risk on its financial assets that are at fair value. The table below summarises the impact of a 10% movement in the market value of these assets:

	Average price increase			Average price decrease		
Consolidated - 2024	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Investment in unlisted Australian unit trusts	10%	1,664,532	1,248,399	(10%)	(1,664,532)	(1,248,399)

	Average price increase			Average price decrease		
Consolidated - 2023	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Investment in unlisted Australian unit trusts	10%	1,324,689	993,517	(10%)	(1,324,689)	(993,517)

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings and cash at bank. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

Note 21. Financial instruments (continued)

As at the reporting date, the Group had the following variable rate borrowings and cash at bank:

Consolidated	2024 Balance $	2023 Balance $
Bank loans	4,972,177	-
Cash at bank	(9,501,780)	(6,198,021)
Net exposure to cash flow interest rate risk	(4,529,603)	(6,198,021)

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

An official increase/decrease in interest rates of 50 (2023: 50) basis points per annum would have a favourable/adverse effect on profit before tax of $22,648 (2023: $30,991) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts. In addition, minimum principal repayments of 831,128 are due during the year ending 30 June 2024.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. 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 Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

The Group has a credit risk exposure with the cash at bank, trade and distribution receivable from funds under management. The funds under management as at 30 June 2024 owed the Group 97% (2023: 96%) of trade receivables. The balance was within its terms of trade and no impairment was made as at the reporting date. These receivables represent management fees and performance fees that are accrued and paid monthly by the Funds.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk
Vigilant liquidity risk management requires the Group 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 Group 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
Refer to note 15 for details of unused borrowing facilities at the reporting date.

Note 21. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the Group'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.

Consolidated - 2024	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables		246,642	-	-	-	246,642
Interest-bearing - variable						
Bank loans	8.85%	1,241,160	1,241,160	3,723,480	-	6,205,800
Lease liability	4.00%	237,245	121,941	-	-	359,186
Total non-derivatives		1,725,047	1,363,101	3,723,480	-	6,811,628

Consolidated - 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables		192,561	-	-	-	192,561
Interest-bearing - fixed rate						
Lease liability	4.00%	224,229	237,245	121,941	-	583,415
Total non-derivatives		416,790	237,245	121,941	-	775,976

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

Note 22. Fair value measurement

Fair value hierarchy
The following tables detail the Group'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

Consolidated - 2024	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Investment in unlisted Australian unit trusts	-	10,878,062	5,767,255	16,645,317
Total assets	-	10,878,062	5,767,255	16,645,317

Note 22. Fair value measurement (continued)

Consolidated - 2023 (restated)*	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Investment in unlisted Australian unit trusts	-	7,482,981	5,763,910	13,246,891
Total assets	-	7,482,981	5,763,910	13,246,891

**Restatement of comparatives*
The balance disclosed in the level 2 and level 3 fair value hierarchy for 30 June 2023 has been restated from $1,923,045 to $5,763,910. Investment in unlisted Australian unit trusts valued at $3,840,865 have been reclassified from level 2 to level 3 to align with the current year's presentation. This reclassification does not result from a change in accounting policy or a correction of an error but to maintain the consistency of the presentation.

The carrying amounts of trade and other receivables and trade and other payables 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.

Valuation techniques for fair value measurements categorised within level 2 and 3
Investments in unlisted Australian unit trusts (level 2)
The investments are recorded at fair value determined on the basis of the published unit prices of those unlisted managed investment funds at the reporting date, adjusted where deemed appropriate, to reflect values based on recent actual market transactions.

Investments in unlisted Australian unit trusts (level 3)
The balance disclosed in the level 3 fair value hierarchy relates to unitholding in six (2023: six) funds for which Microequities Asset Management Pty Limited is the trustee. The funds' portfolio comprises of cash, listed securities, convertible notes and unlisted private securities. The funds are subject to lockup period for five years from the date of inception respectively for each fund and the investors will not be permitted to redeem until such time.

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Investment in unlisted Australian unit trusts $
Balance at 1 July 2022 (restated)	5,975,135
Losses recognised in profit or loss	(851,248)
Additions	500,000
Additions through dividend reinvestment plan	140,023
Balance at 30 June 2023 (restated)	5,763,910
Losses recognised in profit or loss	(385,154)
Additions	200,000
Additions through dividend reinvestment plan	188,499
Balance at 30 June 2024	5,767,255

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company:

	Consolidated 2024 $	Consolidated 2023 $
Audit services - BDO Audit Pty Ltd		
Audit or review of the financial statements	60,882	49,170

Note 24. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Note 25. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	Consolidated 2024 $	Consolidated 2023 $
Short-term employee benefits	940,063	988,885
Post-employment benefits	66,303	61,561
Long-term benefits	107,402	(102,391)
Share-based payments	243,784	411,530
	1,357,552	1,359,585

Note 26. Related party transactions

Parent entity
Microequities Asset Management Group Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 27.

Key management personnel
Disclosures relating to key management personnel are set out in note 25 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2024 $	Consolidated 2023 $
Sale of goods and services:		
Management fees from Funds for which the Group is a Trustee	9,114,639	9,698,832
Performance fees from Funds for which the Group is a Trustee	882,317	272,503
Payment for other expenses:		
Consulting fees paid to a director related entity controlled by Leslie Szekely	28,021	-

Note 26. Related party transactions (continued)

Receivable from and payable to related parties
Trade receivables disclosed in note 10 are predominantly from Funds for which the Group is a Trustee.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Investments
99% of the financial assets at fair value through profit or loss disclosed in note 12 are investments in Funds for which the Group is a Trustee or Fund Manager.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 27. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business/ Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
Microequities Asset Management Pty Ltd	Australia	100%	100%
Microequities Venture Capital Pty Ltd	Australia	100%	100%
Microequities Venture Capital Fund Managing Partnership LP*	Australia	50%	50%
Microequities Private Equity Asset Management Pty Ltd	Australia	85%	85%

* Leslie Szekely, the Chairman, holds 50% of the shares in Equity Venture Partners Pty Ltd ACN 600 735 626 ('EVP') through Bellite Pty Ltd ACN 056 441 386, a company controlled by him. EVP (as trustee for the EVP Trust) is a limited partner of Microequities Venture Capital Managing Partnership LP which acts as general partner of the Microequities Venture Capital Fund LP.

Summarised financial information for subsidiaries that have non-controlling interests, has not been provided as they are not material to the Group.

Note 28. Cash flow information

Reconciliation of profit after income tax to net cash from operating activities

	Consolidated 2024 $	Consolidated 2023 $
Profit after income tax expense for the year	6,353,752	6,112,251
Adjustments for:		
Depreciation	207,225	239,574
Net fair value gain on other financial assets	(269,051)	(694,307)
Share-based payments	203,215	172,978
Reinvestment of dividends	(529,375)	(606,538)
Finance cost amortisation	730	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(249,547)	52,564
Decrease in deferred tax assets	-	174,705
Decrease/(increase) in prepayments	22,039	(24,078)
Increase/(decrease) in trade and other payables	121,170	(23,888)
Increase/(decrease) in provision for income tax	(99,735)	204,528
Increase in deferred tax liabilities	28,034	32,870
Increase in employee benefits	364,128	312,585
Net cash from operating activities	6,152,585	5,953,244

Non-cash investing and financing activities

	Consolidated 2024 $	Consolidated 2023 $
Additions to the right-of-use assets	-	40,245
Additions to investment by reinvestment of dividends	529,375	606,429
	529,375	646,674

Changes in liabilities arising from financing activities

Consolidated	Bank loans $	Lease liabilities $	Total $
Balance at 1 July 2022	-	715,832	715,832
Net cash used in financing activities	-	(202,383)	(202,383)
Acquisition of leases	-	40,245	40,245
Balance at 30 June 2023	-	553,694	553,694
Net cash from/(used in) financing activities	4,972,177	(205,763)	4,766,414
Balance at 30 June 2024	4,972,177	347,931	5,320,108

Note 29. Earnings per share

	Consolidated 2024 $	Consolidated 2023 $
Profit after income tax	6,353,752	6,112,251
Non-controlling interest	(363,055)	(451,441)
Profit after income tax attributable to the owners of Microequities Asset Management Group Limited	5,990,697	5,660,810

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	131,038,733	130,700,943
Adjustments for calculation of diluted earnings per share:		
Performance rights over ordinary shares	2,024,347	1,142,289
Weighted average number of ordinary shares used in calculating diluted earnings per share	133,063,080	131,843,232

	Cents	Cents
Basic earnings per share	4.57	4.33
Diluted earnings per share	4.50	4.29

The weighted average number of ordinary shares for the year ended 30 June 2024 does not include 1,728,395 treasury shares (30 June 2023: 1,728,395).

Note 30. Share-based payments

Equity settled share-based payment expense for the year was $203,215 (2023: $172,978). Cash settled share-based payment expense for the year was $243,784 (2023: $411,530).

Loan Funded Share Plan ('LFSP')
As detailed in note 18, the Group has an equity scheme pursuant to which certain employees may access a LFSP. On 26 November 2015, the Group granted limited recourse loans to certain employees to enable them to subscribe to the ordinary shares in the Company. The LFSP shares are restricted until the loan was repaid. These shares were recorded as treasury shares representing a deduction against issued capital. These have been accounted for as a share-based payment. During the previous financial year, the loan was fully repaid and 787,200 treasury shares became unrestricted ordinary shares.

Set out below are summaries of options and loan funded shares granted under the plan:

2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised*	Expired/ forfeited/ other	Balance at the end of the year
26/11/2015	26/11/2022	$0.267	787,200	-	(787,200)	-	-
			787,200	-	(787,200)	-	-
Weighted average exercise price			$0.267	$0.000	$0.267	$0.000	$0.000

The weighted average share price during the financial year was $0.575 (2023: $0.627). The weighted average remaining contractual life of options outstanding at the end of the financial year was nil years (2023: nil years).

* 787,200 awards under LFSP have fully vested and the holder secured unrestricted access to the underlying shares as the loan under LFSP was fully settled during the previous financial year.

Note 30. Share-based payments (continued)

Performance rights:
No performance rights were granted during the current financial year.

On 20 May 2022, the Group granted 2,716,049 performance rights to pay a bonus in February 2026 if certain performance hurdles relating to the Funds and service conditions of the employee are met. The Group can elect to settle the bonus in cash, if consented by the employee or by way of an issue of shares. The amount of the bonus will be calculated in accordance with a formula based on the market price of the shares at the time the bonus is payable multiplied by the vesting percentage (which will range from 0% to 100% depending on the number of Funds that meet the performance hurdle). Each Fund has its own performance hurdles which are all 5% above the compound annual return of the relevant benchmark.

Units under the Employee Share Trust Plan ('ESTP')
On 20 April 2022, the Group granted 2,049,383 share units (unvested) under the ESTP. The units vest (over a 4-year vesting period) if certain performance hurdles relating to the Funds and service conditions of the employees are met. The number of shares that will vest will be calculated based on the vesting percentage (which will range from 0% to 100% depending on the number of Funds that meet the performance hurdle). Each Fund has its own performance hurdles which are all 5% above the compound annual return of the relevant benchmark.

Set out below are summaries of performance rights and share units granted under the plan:

2024

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
20/04/2022	28/02/2026	$0.000	1,728,395	-	-	-	1,728,395
20/05/2022	28/02/2026	$0.000	2,716,049	-	-	-	2,716,049
			4,444,444	-	-	-	4,444,444

2023

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
20/04/2022	28/02/2026	$0.000	2,049,383	-	-	(320,988)	1,728,395
20/05/2022	28/02/2026	$0.000	2,716,049	-	-	-	2,716,049
			4,765,432	-	-	(320,988)	4,444,444

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 1.67 years (2023: 2.67 years).

Note 31. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2024 $	Parent 2023 $
Profit after income tax	5,858,627	4,256,725
Total comprehensive income	5,858,627	4,256,725

Note 31. Parent entity information (continued)

Statement of financial position

	Parent 2024 $	Parent 2023 $
Total current assets	9,387,042	4,698,317
Total assets	26,032,554	17,945,404
Total current liabilities	3,022,633	269,349
Total liabilities	7,325,864	405,725
Equity		
Issued capital	4,217,730	4,526,976
Retained earnings	14,488,960	13,012,703
Total equity	18,706,690	17,539,679

Issued capital
Issued capital disclosed above includes $1,651,606 (30 June 2023: $1,651,606) issue of shares under employee share trust plan that was funded by another Group entity.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 32. Events after the reporting period

Apart from the dividend declared as disclosed in note 20, no other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Microequities Asset Management Pty Ltd	Body corporate	Australia	100%	Australia
Microequities Venture Capital Pty Ltd	Body corporate	Australia	100%	Australia
Microequities Venture Capital Fund Managing Partnership LP	Body corporate	Australia	50%	Australia
Microequities Private Equity Asset Management Pty Ltd	Body corporate	Australia	85%	Australia

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Leslie Szekely
Chairman

Carlos Gil
Chief Executive Officer

16 August 2024

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Microequities Asset Management Group Limited

Report on the Audit of the Financial Report

Qualified opinion

We have audited the financial report of Microequities Asset Management Group Limited (the Company) and its subsidiaries (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, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial report of the Group, is 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 financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for qualified opinion

The Group's investments in unlisted unit trusts, categorised as level 3, are carried in the statement of financial position at $5,767,255. We were not able to obtain sufficient appropriate audit evidence to support the fair value of two of these investments with a carrying value of $2,431,227 as at 30 June 2024 because the directors have not prepared an appropriate valuation that is in accordance with AASB 13, *Fair Value Measurement* and we were not able to satisfy ourselves regarding the carrying value by alternative means. Consequently, we were unable to determine whether any adjustment to the carrying value of investments in unlisted unit trusts, categorised as level 3 was required.

Since the year end carrying amount enters into the determination of the financial position and performance, we were unable to determine whether adjustments might have been necessary in respect of the income for the year reported in the statement of profit or loss and other comprehensive income and the statement of financial position.

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for qualified opinion* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Valuation of unlisted unit trusts - Level 2

Key audit matter	How the matter was addressed in our audit
The Group holds material investments in a number of unlisted unit trusts, categorised as level 2 in the fair value hierarchy, a majority of which are related parties to the Group. We considered the valuation of these financial assets as a key audit matter as the valuation is subject to management's judgement and estimation due to use of non-market observable inputs.	Our audit procedures over the valuation of the Level 2 unlisted unit trusts and their disclosures included, but were not limited to, the following: • Obtained management's assessment of the valuation of the level 2 investments held at year end and assessed against the requirements of AASB 13, Fair Value Measurement. • Obtained and agreed the investment schedule to the general ledger and financial report. • Obtained the audited financial statements of the underlying funds to the extent possible to verify that the Net Asset Value (NAV) of the funds approximate fair value. Alternative procedures were performed where this was not possible, or the most recent audited financial statements were not coterminous.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

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

a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

b) 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:

i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) 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 ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has 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.

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

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 7 to 9 of the directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Microequities Asset Management Group Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

BDO Audit Pty Ltd

BDO

Tim Aman
Director

Sydney, 16 August 2024

The shareholder information set out below was applicable as at 2 August 2024.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	78	0.03
1,001 to 5,000	178	0.40
5,001 to 10,000	95	0.55
10,001 to 100,000	280	7.65
100,001 and over	86	91.37
	717	100.00
Holding less than a marketable parcel	61	

Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
GIL INVESTMENT COMPANY PTY LTD	53,714,560	40.52
GUTMAN INVESTMENT PARTNERS PTY LTD	23,000,000	17.35
SZEKELY SMSF PTY LTD	12,991,949	9.80
BELLITE PTY LTD	5,955,408	4.49
DESIGN MANGEMENT INVESTMENT PTY LTD	2,662,376	2.01
MICROEQUITIES EMPLOYEE SHARE TRUST	1,728,395	1.30
FALCON STREET INVESTMENT PARTNERS PTY LTD	911,992	0.69
IME HOLDINGS PTY LTD	810,000	0.61
MR SHUO YANG	787,200	0.59
BCDO PTY LIMITED	777,752	0.59
MR MARTIN JAMES HICKLING & MRS JANE FRANCES HICKLING	750,000	0.57
BNP PARIBAS NOMINEES PTY LTD	668,059	0.50
OZSUN INVESTMENTS PTY LTD	645,000	0.49
I M E INVESTMENTS PTY LTD	630,000	0.48
NETWEALTH INVESTMENTS LIMITED	562,322	0.42
MANN SUPERANNUATION FUND PTY LTD	532,672	0.40
ELYSIUM FAMILY SUPER PTY LIMITED	532,672	0.40
JMAS PTY LTD	532,016	0.40
RECYCLED NETWORKS PTY LTD	446,614	0.34
PORTLAND 41 PTY LTD	419,272	0.32
	109,058,259	82.27

Unquoted equity securities

	Number on issue	Number of holders
Performance rights over ordinary shares	2,716,049	2

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Gil Investment Company Pty Ltd	53,714,560	40.52
Gutman Investment Partners Pty Ltd	23,000,000	17.35
Szekely SMSF Pty Ltd and Bellite Pty Ltd	18,947,357	14.29

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Restricted securities
There are no restricted securities.

Directors	Leslie Szekely - Non-Executive Chairman Carlos Gil - Executive Director, Chief Executive Officer and Chief Investment Officer Samuel Gutman - Executive Director and Company Secretary Dr Alexander Abrahams - Non-Executive Director
Company secretary	Samuel Gutman
Registered office and Principal place of business	Suite 3105, Level 31 Governor Macquarie Tower 1 Farrer Place Sydney NSW 2000 Telephone: +61 2 9009 2900
Share register	Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Telephone: 1300 554 474
Auditor	BDO Audit Pty Ltd Level 11, 1 Margaret Street Sydney NSW 2000
Solicitors	Mills Oakley Level 12, 400 George Street Sydney NSW 2000
Stock exchange listing	Microequities Asset Management Group Limited shares are listed on the Australian Securities Exchange (ASX code: MAM)
Website	http://microequities.com.au/
Corporate Governance Statement	The directors and management are committed to conducting the business of Microequities Asset Management Group Limited in an ethical manner and in accordance with the highest standards of corporate governance. Microequities Asset Management Group Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of the Group's operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, which is approved at the same time as the Annual Report can be found at: http://microequities.com.au/governance-policies/