DMX

CAPITAL PARTNERS

ACN 603 568 494

2022 ANNUAL REPORT

DMX Capital Partners is an unlisted public investment company that invests in compelling nano and micro-cap opportunities on the ASX. The company is managed by DMX Asset Management.

dmxam.com.au

DMX Capital Partners Limited
Shareholder summary
30 June 2022

Dear fellow shareholders,

DMX Capital Partners Limited (**DMXCP**) returned -8.7%, after all fees and expenses, for the 12 months to 30 June 2022 (**FY22**). DMXCP recorded an audited net loss after tax for FY22 of $1.7m (FY21: profit of $4.5m). Audited gross assets of DMXCP at 30 June 2022 were $20.7m (30 June 2021: $20.7m).

Notwithstanding the difficult market conditions, it is disappointing to report a negative return for the year. However, we take some comfort that our portfolio companies operationally continued to perform well, and despite macro-economic challenges, the majority of them have been able to execute on their growth plans, finishing the year in better shape than they started. We expect our portfolio to continue with similar positive growth trajectories into FY23 and beyond. Increasing revenue should continue to generate margin growth, profit growth, cash flow growth and as a result, drive value uplifts to our portfolio over time. We believe our returns since inception (17.1% annualised for the 7 years and 3 months to 30 June 2022) support this strategy.

As highlighted in previous communications, we want to own a portfolio of smaller listed businesses with strong growth prospects and attractive valuations that are likely to grow over time into much larger, more valuable, businesses. We feel confident that we continue to make good progress towards this aim, and towards our broader goal of building a respected, long-term orientated, investment company that offers sensible exposures to interesting, under-valued, under-the-radar small company opportunities. We are committed, supportive, long term top 20 shareholders of many small ASX listed companies, together which form part of our unique, hard to replicate portfolio that we are proud of.

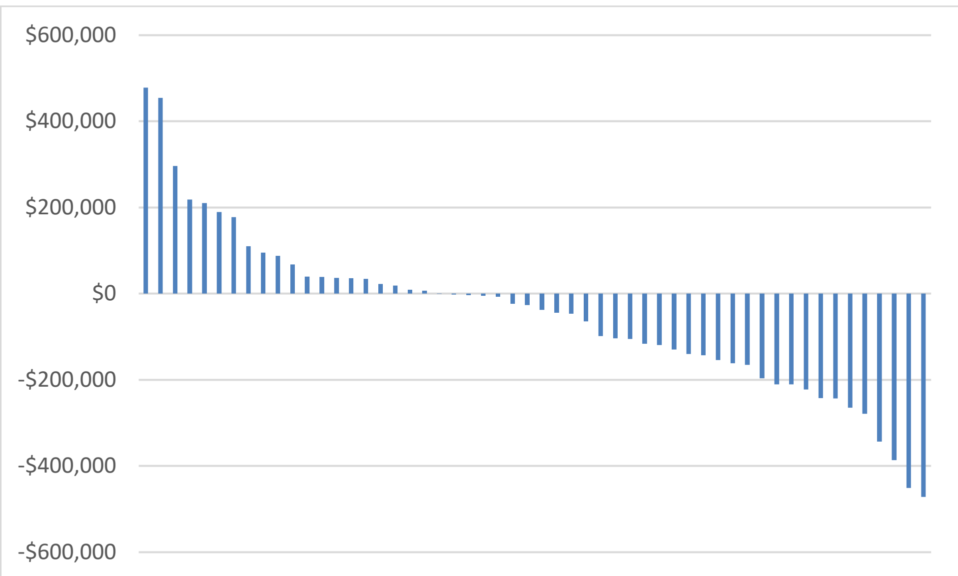
As an unlisted public company with a large and diverse shareholder base now approaching 150 members, we subject ourselves to high levels of corporate governance. Our financial accounts are prepared by independent accountants (Moore Australia), and have again been independently audited by HLB Mann Judd Assurance (NSW) Pty Ltd. Our share registry is independently maintained by ASX-listed Advanced Share Registries. During the year, Directors and Management of DMXCP have added to their holdings, and currently own 15% of DMXCP's shares, so are very much aligned with shareholders in driving positive outcomes.

It has been particularly pleasing to have seen our investor base remain strongly supportive through the past year. Our investors proved very resilient during the COVID turmoil of early 2020, and it is pleasing to see this continue. During the year, the number of shareholders as expanded by more than 20%, while we have had a significant number of our investors take the opportunity to increase their investments. To all our investors, we thank you again for your support and your patience. We are absolutely focused on adding value over time through our unique portfolio of compelling smaller company opportunities.

FY22: Year-end Summary

Across FY22, DMXCP owned a total of 51 stocks (with the number of stocks held at any one point generally ranging between 30 and 40). The dispersion of the contribution of each of the 51 stocks to the total gross portfolio return (of -$2.3m) is presented below.

DMX CAPITAL PARTNERS LIMITED CONTRIBUTION BY HOLDING – FY22



Of the 51 stocks owned though the year, there were 20 that contributed positively, while there were 31 detractors. (FY21: 45 positive contributors, 7 detractors). In terms of individual names, PTB Group (ASX:**PTB**) was the best performing stock in the portfolio, as it continued to make strong progress in the US, releasing three profit upgrades during the year. Post year end, PTB received a takeover offer at a level we believe undervalues the company given its attractive long term growth prospects. Other strong positive contributors included Cryosite (ASX:**CTE**), Swick Mining (ASX:**SWK**) and Pure Profile (ASX:**PPL**).

The companies that out performed during the year were typically profitable, growing companies, generating strong cash flows and with a compelling valuation thesis. These sorts of companies have traditionally comprised (and will continue to comprise) the core of our portfolio.

On the other hand, detractors were predominantly technology focused businesses that have attractive business models and growth outlooks, but typically have a longer dated free cash flow profile. Despite their volatility, we believe it is important to have some portfolio exposure to these businesses (but at a lower weighting than businesses that have proven their ability to operate profitably and pay dividends), given their growth profiles and high margins with the ability to rapidly add incremental margin and profit over time.

Proptech Limited (ASX:**PTG**) was the most significant detractor. In July 2021, PTG finalised a capital raise at 72c - it closed the year at 22c. While operationally PTG performed in line with expectations during the year, maintaining positive cash flows and growing its ARR strongly, it suffered from the sentiment change towards technology stocks. While we had taken some profits in PTG on the way up, and didn't participate in the July raise (on valuation grounds), we should have been more aggressive with our selling when there was excessive 'hype' factored into its share price. Two of the other poor performers were med-tech companies Corum (ASX:**COO**) and MedAdvisor (ASX:**MDR**). These were both turn-around situations that have taken longer to play out and have had a change of management as a result – a harsh reminder of the dangers of entering a turn-around too early.

Among the other key detractors, we continue to view the thesis for the majority of them as compelling, and in many cases have taken advantage of the share price underperformance to add to the positions.

In building our portfolio, we want to own companies that grow and become more valuable. Value is ultimately, quite simply, a function of the future free cash a company generates. FY22 was certainly a wake up call to many in the market on the importance of focusing on cash and valuations as opposed to narratives around potential. We remain disciplined in terms of our focus on cash generation, with all our key holdings continuing to generate healthy levels of free cash, which increases their value (irrespective of what direction their share prices may be moving in each month or year), supporting continued long term portfolio growth.

OPERATIONS

DMX Asset Management Limited continued as manager of DMXCP during FY22. During the year, DMXCP incurred a liability to DMXAM for management fees of $235k (1% of gross assets). No performance fees were charged during the period.

In accordance with the management agreement, a further $87k (~0.4% of gross assets) has been incurred as a contribution towards DMXCP's administration expenses paid directly by DMXAM on behalf of DMXCP. The actual expenses paid by DMXAM include accounting, audit, legal, regulatory and share-registry costs as well as DMXCP's Independent Director's fees.

FINANCIAL STATEMENTS

The audited financial statements for DMXCP are presented on the following pages. As per the Auditor's Report, an unqualified independent audit opinion was issued by HLB Mann Judd Assurance (NSW) Pty Ltd.

Each month DMXAM calculates a share price (NAV) for DMXCP. The share price, since inception over 7 years ago, has been calculated each month and each year using a consistent methodology as Share portfolio value + cash – fees payable – tax payable + franking credits. The DMXCP share price as at 30 June 2022 was **$2.41** (30 June 2021: $2.86).

FY22 Return Calculation

NAV at 30 June 2022 ($)	***2.41***	*As per calculation below*
NAV at 30 June 2021 ($)	***2.86***	*As per calculation below*
Decrease in NAV ($)	*-0.45*	
Dividend/ Franking credits paid in FY22 ($)	*0.20*	*14c dividend & 6c franking credits paid in November 2021*
Total return per share ($)	***-0.25***	*Equates to a return of -8.7% on the opening NAV of $2.86*

DMX Capital Partners Limited
Shareholder summary
30 June 2022

A reconciliation of the share price at 30 June 2022 (and 2021) to the audited accounts is set out below.

ITEM	***30 JUNE 2022 - $***	***30 JUNE 2021 - $***	***DESCRIPTION***
Cash	*821,903*	*2,313,705*	*As per audited accounts – cash balance*
Investments (ASX shares)	*19,875,438*	*18,254,417*	*As per audited accounts – market value*
Dividends accrued and other receivables	*33,606*	*97,638*	*As per audited accounts*
Gross Assets (before tax)	***20,730,947***	***20,665,760***	*As per audited accounts*
Fees payable	*-20,547*	*-1,322,174*	*As per audited accounts – accrued fees*
Other payables	*-17,903*	*-136,373*	*As per audited accounts – unsettled trades*
Less: cash subscriptions received in June in advance of 1 July 2022 share issue	*-643,948*	*-413,207*	*As per audited accounts – see note 1*
Net Assets (before tax)	***20,048,549***	***18,794,006***	
Adjustments for tax			
Less: Income tax payable	*-480,398*	*-289,786*	*As per audited accounts*
Add: Franking credits	*585,725*	*405,474*	*Off balance sheet item – see note 2 below*
Net Assets (after tax adjustments)	***20,153,876***	***18,909,694***	
Shares on issue – 30 June 2022/2021	*8,363,854*	*6,622,941*	*As per audited accounts – see note 10. Excludes shares issued on 1 July 2022/2021*
Share price (after fees & tax adjustments)	**$2.41**	**$2.86**	

1. DMXCP issues shares on a monthly basis on the first business day of the month following the receipt of funds. During June 2022, $644k in new subscriptions were received for shares issued on 1 July 2022 (FY21: $413k). The cash contributed and the shares to be issued have been excluded from the net assets and the calculation of the share price at 30 June 2022.

2. DMXCP is an investment company that intends to distribute its profits to shareholders in a tax effective manner through fully franked dividends. While franking credits are an off-balance sheet item in the financial statements, they are included in the calculation of the month-end share price. New shares are issued monthly at the month-end share price. If franking credits were in fact excluded from the month-end share price, then existing shareholders would have their proportionate 'value' of DMXCP's accumulated franking credits diluted whenever new shares are issued. The DMXCP franking credit balance also includes franking credits that will arise from the payment of income tax at the reporting date based on a tax rate of 30%, and franking credits that will arise from the receipt of dividends recognised as receivables at the reporting date. The franking credit is calculated by DMXAM and is unaudited.

Consistent with prior years, a reconciliation of the net assets used to calculate the share price (as calculated above) to the audited net asset position per the audited accounts as at 30 June 2022 is set out below:

Net Assets (audited accounts)	***19,470,231***	*Audited net assets per Statement of Financial Position*
Add: Deferred Tax Liability (DTL)	*97,920*	*Balance as per audited accounts – Under current Accounting Standards, the Company is required to provide for tax that may arise should the entire portfolio be (hypothetically) disposed of on the reporting date. The DTL is added back as **1)** DMXCP is a long-term investor and, as a going concern, there is no intention to dispose of the portfolio. Accordingly, no tax is currently payable (and there is no certainty as to if/when it will ever become payable); & **2)** to the extent that this DTL does in fact become payable in the future, then the franking credit balance will increase by an amount equivalent to the tax payable. This will enable DMXCP to distribute its profits to shareholders in a tax efficient manner through increased fully franked dividends.*
Add: Franking credits	*585,725*	*Under current Accounting Standards an Off balance sheet item – see note 2 above*
Net Assets (after adjustments)	***20,153,876***	*Net assets used to calculate the share price at 30 June 2022*

These two tax-related adjustments to the audited accounts (adjusting for the deferred tax asset/liability and including franking credits - as described above) have been consistently applied since inception. We consider them to be appropriate in order to best reflect the 'asset value' of a DMXCP share at any point in time.

DIVIDEND

DMXCP's dividend policy is to distribute to shareholders its profits in a tax effective manner through an annual dividend that is 100% franked, paying out all franking credits accumulated through the financial year. Accordingly, the size of the dividend declared is a function of the franking credits accrued.

DMXCP's franking credits are derived from both income tax paid and from franking credits passed through from dividends received.

Based on the available franking credits ($585k) at 30 June 2022, the Directors of DMXCP have declared a dividend of 15.0 cents per share, fully franked. A Dividend Reinvestment Plan (DRP) is in place and investors representing approximately 85% of shares outstanding are presently participating in this programme. If you aren't presently electing to reinvest dividends and would like to do so, or if you have been reinvesting and instead wish to receive a cash component, please contact us to discuss and potentially alter your DRP election preference.

OUTLOOK

Our focus continues to be on building a strong track record as a respected investor in undervalued, under-the-radar companies. As we head into FY23 – our eighth year of investing - we are enthused with how the portfolio is positioned and the attractive upsides and potential across our holdings. But, as always, and as was well illustrated in FY22, we recognize that markets and individual share prices can and do move both up and down. We don't have crystal ball insights into what the year ahead holds in terms of markets or short-term performance, instead we remain utmost focused on controlling what we can control in order to continue to deliver good medium to long term performance.

We are confident that our core philosophy of identifying mispriced, "under-the-radar" small companies with compelling risk/reward characteristics will see us continue to deliver good returns over time.

We thank all shareholders for their support and patience, and we are looking forward to continuing our investment journey into FY23 which we approach with confidence.

Sincerely

Roger Collison   Dean Morel   Steven McCarthy

Directors, DMX Capital Partners Limited
26 September 2022

The directors present their report, together with the financial statements, on the company for the year ended 30 June 2022.

Directors
The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

Roger Collison
Steven McCarthy
Dean Morel

Principal activities
The principal activity during the financial year was undertaking investments in small sized ASX listed companies.

Dividends
Dividends paid during the financial year were as follows:

	2022 $	2021 $
Final Dividend	1,000,345	575,235

Review of operations
The loss for the company after providing for income tax amounted to $1,717,430 (30 June 2021: profit of $4,552,478).

Significant changes in the state of affairs
There were no significant changes in the state of affairs of the company during the financial year.

Matters subsequent to the end of the financial year
No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the company.

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

Information on directors

Name:	Roger Collison
Title:	Executive Chairman
Qualifications:	BEc(Hons), MBA (AGSM), CFA, GradDipAppFin, GradDipACG, SFFin, FCIS, FCSA, FAICD
Experience and expertise:	Roger is an experienced Investment Analyst and Fund Manager, having previously been a Director at Credit Suisse in both Sydney and London; and Head of Research at Tyndall Asset Management. Roger also has extensive governance experience both in the private and not-for-profit sectors. Roger is a Fellow of the Australian Institute of Company Directors (FAICD) and a Chartered Financial Analyst (CFA) As Chair of our Investment Committee, Roger has brought institutional-grade structure, insight, and experience to bear in the oversight of our portfolio management function. In addition to lending his experience and perspective Roger is active with a number of other external governance roles, as well as actively managing a private family investment fund with a focus on value-opportunities on the ASX.
Name:	Steven McCarthy
Title:	Executive Director
Qualifications:	B. Com (Finance); BA (Economics); CPA
Experience and expertise:	Steven is a qualified accountant and has over 17 years of experience in corporate finance, business valuation and advisory services, with extensive analytical, valuation, due diligence and corporate advisory skills. He has had experience across a variety of industries with particular expertise in assessing the performance, future prospects and valuations of small to medium sized, listed and unlisted companies
Name:	Dean Morel
Title:	Non-executive Director
Qualifications:	BAppSci, MAppFin, GAICD
Experience and expertise:	Dean has 30 years' investment experience in Australian and international equity and derivative markets. As Chief Investment Officer of an investment trust for the last 15 years he has developed considerable security analysis, asset allocation and portfolio management skills. Dean has extensive understanding of business process, integration and solutions across a broad range of industries. While working for SAP Australia and UK he designed and implemented medium to large scale business enterprise systems and provided strategic consulting and systems auditing services to diverse companies, ranging from Fortune 500 to medium size enterprises

Company secretary
Steven McCarthy (B.Com (Finance); BA (Economics); CPA) has held the role of Company Secretary since 15 January 2016.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2022, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Roger Collison	6	6
Steven McCarthy	5	6
Dean Morel	5	6

Shares under option
There were no unissued ordinary shares of the company under option outstanding at the date of this report.

Shares issued on the exercise of options
There were no ordinary shares of the company issued on the exercise of options during the year ended 30 June 2022 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.

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

Roger Collison
Executive Chairman

26 September 2022

Auditor's Independence Declaration

To the directors of DMX Capital Partners Limited:

As lead auditor for the audit of the financial report of DMX Capital Partners Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

S. Gi

Sydney, NSW
26 September 2022

S Grivas
Director

hlb.com.au

HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215
Level 19, 207 Kent Street Sydney NSW 2000 Australia
T: +61 (0)2 9020 4000 **F:** +61 (0)2 9020 4190 **E:** mailbox@hlbnsw.com.au

General information

The financial statements cover DMX Capital Partners Limited as an individual entity. The financial statements are presented in Australian dollars, which is DMX Capital Partners Limited's functional and presentation currency.

DMX Capital Partners Limited is an unlisted public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 2
Level 14
9-13 Castlereagh Street
Sydney NSW 2000

A description of the nature of the company'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 26 September 2022. The directors have the power to amend and reissue the financial statements.

DMX Capital Partners Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2022

	Note	2022 $	2021 $
Revenue			
Interest income		2,065	3,023
Dividend income		658,796	289,276
Other income		5,394	6,000
Net (losses)/gains on financial assets held at fair value through profit or loss		(2,944,361)	7,507,425
Total (loss)/revenue		(2,278,106)	7,805,724
Expenses			
Performance fee expenses		-	(1,188,410)
Management fee expenses		(322,558)	(211,142)
Other expenses		(355)	(464)
(Loss)/profit before income tax benefit/(expense)		(2,601,019)	6,405,708
Income tax benefit/(expense)	3	883,589	(1,853,230)
(Loss)/profit after income tax benefit/(expense) for the year		(1,717,430)	4,552,478
Other Comprehensive income for the year, net of tax		-	-
Total Comprehensive (loss)/profit for the year		(1,717,430)	4,552,478
		Cents	Cents
Basic (loss)/earnings per share	20	(21.86)	81.71
Diluted (loss)/earnings per share	20	(21.86)	81.71

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

DMX Capital Partners Limited
Statement of financial position
As at 30 June 2022

	Note	2022 $	2021 $
Assets			
Current assets			
Cash and cash equivalents	4	821,903	2,313,705
Trade and other receivables	5	33,606	97,638
Financial assets at fair value through profit or loss	6	19,875,438	18,254,417
Total current assets		20,730,947	20,665,760
Total assets		20,730,947	20,665,760
Liabilities			
Current liabilities			
Trade and other payables	7	682,398	1,871,574
Current tax liability	8	480,398	289,786
Total current liabilities		1,162,796	2,161,360
Non-current liabilities			
Deferred tax liability	9	97,920	1,547,909
Total non-current liabilities		97,920	1,547,909
Total liabilities		1,260,716	3,709,269
Net assets		19,470,231	16,956,491
Equity			
Issued capital	10	17,613,493	12,381,978
Retained profits		1,856,738	4,574,513
Total equity		19,470,231	16,956,491

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

DMX Capital Partners Limited
Statement of changes in equity
For the year ended 30 June 2022

	Issued capital $	Retained profits $	Total equity $
Balance at 1 July 2020	7,311,783	597,270	7,909,053
Profit after income tax expense for the year	-	4,552,478	4,552,478
Other Comprehensive income for the year, net of tax	-	-	-
Total Comprehensive income for the year	-	4,552,478	4,552,478
Shares issued	5,070,195	-	5,070,195
Transactions with owners in their capacity as owners:			
Dividends paid (note 11)	-	(575,235)	(575,235)
Balance at 30 June 2021	12,381,978	4,574,513	16,956,491

	Issued capital $	Retained profits $	Total equity $
Balance at 1 July 2021	12,381,978	4,574,513	16,956,491
Loss after income tax benefit for the year	-	(1,717,430)	(1,717,430)
Other Comprehensive income for the year, net of tax	-	-	-
Total Comprehensive loss for the year	-	(1,717,430)	(1,717,430)
Shares issued	5,231,515	-	5,231,515
Transactions with owners in their capacity as owners:			
Dividends paid (note 11)	-	(1,000,345)	(1,000,345)
Balance at 30 June 2022	17,613,493	1,856,738	19,470,231

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

DMX Capital Partners Limited
Statement of cash flows
For the year ended 30 June 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Purchase of financial instruments held at fair value through profit or loss		(13,122,508)	(11,135,425)
Sale of financial instruments held at fair value through profit or loss		8,557,115	7,964,261
Interest received		8,065	9,023
Dividend received		658,796	289,276
Income tax paid		(293,440)	(205,087)
Payments to suppliers		(1,531,000)	(240,008)
Net cash used in operating activities	19	(5,722,972)	(3,317,960)
Net cash from investing activities		-	-
Cash flows from financing activities			
Proceeds from issue of shares	10	5,231,515	5,070,195
Dividends paid		(1,000,345)	(575,235)
Net cash from financing activities		4,231,170	4,494,960
Net increase/(decrease) in cash and cash equivalents		(1,491,802)	1,177,000
Cash and cash equivalents at the beginning of the financial year		2,313,705	1,136,705
Cash and cash equivalents at the end of the financial year	4	821,903	2,313,705

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

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The company 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 statements

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. They are not expected to have a material impact to the financial statements when 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, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

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 company'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 2.

Revenue recognition
The company recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the company: 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.

Net gains on financial assets at fair value through profit or loss
Financial assets are recognised and measured at fair value through profit or loss. Net gains on financial assets comprise the realised gains and losses on the disposal of financial assets during the financial year and the gains and losses resulting from the change in fair value of the financial assets held at the reporting date between contracted cost amounts and their fair value at the reporting date.

All income is recognised net of the amount of goods and services tax (GST).

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.

Note 1. Significant accounting policies (continued)

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.

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 company'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.

A liability is classified as current when: it is either expected to be settled in the company'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 30 days.

The company 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.

Note 1. Significant accounting policies (continued)

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 company 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, it's 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 company 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 company'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.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Trade and other payables
These amounts represent liabilities for goods and services provided to the company 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

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

Note 1. Significant accounting policies (continued)

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 DMX Capital Partners 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 shares assumed to have been issued for no consideration in relation to 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.

Note 2. 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.

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Fair value of Financial Assets held at fair value through profit or loss
Valuation techniques using a range of internally and externally developed unobservable inputs are used to estimate fair value. Valuation techniques make maximum use of market inputs, including reference to current fair values of financial assets that are substantially the same. Fair value estimates for these assets are made at a specific point in time, based on market conditions and information about the financial asset. These estimates are subjective in nature and involve uncertainties and matters of significant judgement.

Determination of management and performance fees
A performance fee is payable by DMX Capital Partners Limited to DMX Asset Management Limited equal to 15% of any increase in the gross asset value (GAV) per Share of DMX Capital Partners Limited in excess of the cumulative 30 day Bank Bill Swap Rate (BBSW) return for the period. The GAV is the value of each Share before any fee deductions or accruals and tax and other provisions, except that it shall be calculated after providing for the 1% management fee. It includes any franking credits received or generated. The performance fee is calculated annually on 30 June of each year and accrues on a monthly basis. As Shares are issued at various times throughout the period, the performance fee is calculated with reference to the weighted average number of Shares on issue for the period, as calculated at 30 June. The performance fee is also payable (pro-rata) on any Shares redeemed at the end of the relevant month.

Note 3. Income tax (benefit)/expense

	2022 $	2021 $
Income tax (benefit)/expense		
Current tax	566,400	289,786
Deferred tax - origination and reversal of temporary differences	(1,449,989)	1,563,444
Aggregate income tax (benefit)/expense	(883,589)	1,853,230
Numerical reconciliation of income tax (benefit)/expense and tax at the statutory rate		
(Loss)/profit before income tax benefit/(expense)	(2,601,019)	6,405,708
Tax at the statutory tax rate of 30%	(780,306)	1,921,712
Other Items	45,546	28,065
Franking tax credits	(148,829)	(96,547)
Income tax (benefit)/expense	(883,589)	1,853,230

Note 4. Current assets - cash and cash equivalents

	2022 $	2021 $
Cash on hand	2	2
Cash at bank	821,901	2,313,703
	821,903	2,313,705

Note 5. Current assets - trade and other receivables

	2022 $	2021 $
Other receivables	33,606	97,638

Note 6. Current assets - financial assets at fair value through profit or loss

	2022 $	2021 $
Financial assets held at fair value through profit or loss	19,875,438	18,254,417

Refer to note 13 for further information on fair value measurement.

Note 7. Current liabilities - trade and other payables

	2022 $	2021 $
Management fee payable	20,547	35,192
Performance fee payable	-	1,275,367
Administration expense payable	-	11,615
Other payables	8,521	2,093
Unsettled trades	9,382	134,280
Payments in advance for shares in DMX CP	643,948	413,027
	682,398	1,871,574

Note 8. Current liabilities - current tax liability

	2022 $	2021 $
Current tax liability	480,398	289,786

Note 9. Non-current liabilities - deferred tax liability

	2022 $	2021 $
Deferred tax liability	97,920	1,547,909
Movements:		
Opening balance	1,547,909	-
Impact on profit or loss	(1,449,989)	1,547,909
Closing balance	97,920	1,547,909

Note 10. Equity - issued capital

	2022 Shares	2021 Shares	2022 $	2021 $
Ordinary shares - fully paid	8,363,854	6,622,941	17,613,493	12,381,978

Note 10. Equity - issued capital (continued)

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

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.

Capital risk management
The company'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 company may adjust the quantum of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital risk management policy remains unchanged from the 30 June 2021 Annual Report.

Note 11. Equity - dividends

Dividends
Dividends paid during the financial year were as follows:

	2022 $	2021 $
Final fully franked dividend for the year ended 30 June 2021 of 14 cents (2021:12 cents) per ordinary share	1,000,345	575,235

Franking credits

	2022 $	2021 $
Franking credits available for subsequent financial years based on a tax rate of 30%	585,725	115,687

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 12. Financial instruments

Financial risk management objectives
The company's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the company. The company uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The company uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Note 12. Financial instruments (continued)

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the company and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the company's operating units. Finance reports to the Board regularly.

Market risk

Price risk
The company is exposed to equity securities price risk. This risk arises from investments held by the company for which prices in the future are uncertain. The company mitigates price risk through diversification and a careful selection of securities and other financial instruments within specified limits set by the board. Most of the company's equity investments are publicly traded and are included in the ASX.

At 30 June 2022, the fair value of equities exposed to price risk were as follows:

	2022 **$**	**2021** **$**
Equity securities	19,075,391	17,745,417

Interest rate risk
The company has direct exposure to interest rate changes on the valuation and cash flows of its interest bearing assets. However, it may also be indirectly affected by the impact of interest rate changes on the earnings of certain companies in which the company invests and impact on the valuation of certain assets that use interest rates as an input in their valuation model. Therefore, the sensitivity analysis below may not fully indicate the total effect on the company's net assets attributable to shareholders of future movements in interest rates.

The table below summarises the company's exposure to interest rate risk:

	Floating interest rate	Non-interest bearing
Cash and cash equivalents	821,903	-
Assets receivable	-	33,606
Financial assets held at fair value through profit or loss	-	19,875,438
Liabilities payable	-	(1,162,796)
Net exposure	821,903	18,746,248

The table below summarises the impact of an increase/decrease of interest rates on the company's operating profit and net assets attributable to shareholders through changes in fair value or changes in future cash flows. The analysis is based on the assumption that interest rates changed by +/- 100 basis points from the year end rates with all other variables held constant.

	Price risk		Interest rate risk	
	-10%	+10%	-100 bps	+100 bps
2022				
Impact	(1,907,539)	1,907,539	(8,219)	8,219

Note 12. Financial instruments (continued)

	Price risk -10%	Price risk +10%	Interest rate risk -100 bps	Interest rate risk +100 bps
2021				
Impact	(1,774,541)	1,774,541	(23,137)	23,137

Credit risk
The company is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due, causing a financial loss to the company.

The main concentration of credit risk, to which the company is exposed, arises from the company's cash and cash equivalents.

In accordance with the company's policy, the senior finance executives monitor the company's credit position frequently and the board of directors reviews it at each meeting.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low, as delivery of securities sold is only made once the broker has received payment. Payment is made once purchase on the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

Cash and cash equivalents

The exposure to credit risk for cash and cash equivalents is low as all counterparties have a rating of AA (as determined by Standard and Poor's) or higher.

Liquidity risk
Vigilant liquidity risk management requires the company 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 company 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.

Note 13. Fair value measurement

Fair value hierarchy
The following tables detail the company'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

2022	**Level 1 $**	**Level 2 $**	**Level 3 $**	**Total $**
Assets				
Equity securities	18,910,908	164,483	800,047	19,875,438
Total assets	18,910,908	164,483	800,047	19,875,438

Note 13. Fair value measurement (continued)

2021	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Equity securities	17,512,443	233,274	509,000	18,254,717
Total assets	17,512,443	233,274	509,000	18,254,717

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

	Equity securities $
Opening balance at 1 July 2021	509,000
Gains recognised in profit or loss	291,047
Closing balance at 30 June 2022	800,047

Note 14. Key management personnel disclosures

Directors
The following persons were directors of DMX Capital Partners Limited during the financial year:

Roger Collison - Executive Chairman	Appointed 6 January 2015
Steven McCarthy - Executive Director	Appointed 6 January 2015
Dean Morel - Non-executive Director	Appointed 25 August 2017

Compensation

Key management personnel services are provided by DMX Asset Management Limited and costs are included in the performance and management fees disclosed below. There is no separate charge for these services. There was no compensation paid directly by the Company to any of the key management personnel.

The following transactions occurred with key management personnel during the reporting period:

Note 14. Key management personnel disclosures (continued)

	2022 $	2021 $
Purchase of share capital - Steven McCarthy	80,642	-
Purchase of share capital - Zaolla Investments Pty limited as trustee of McCarthy Chew Family Trust. Associated with Steven McCarthy	22,139	26,681
(Sale)/Purchase of share capital - Roger Collison and S Parker	(32,680)	1,847
Purchase of share capital - DMX Asset Management Limited	2,048	2,529
Purchase of share capital - Alistair Donald Collison	76	92
Purchase of share capital - James Douglas Collison	245	295
Purchase of share capital - DMX Corporation Limited	2,354	2,837
Purchase of share capital - Collison Superannuation Fund - Roger Collison acting as trustee for the fund	5,656	6,817
(Sale)/Purchase of share capital - Jean Maitland Collison	(86,112)	4,867
(Sale)/Purchase of share capital - Dog Bowl Super Fund - Dean Morel acting as trustee for the fund	(209,606)	11,316
Purchase of share capital - Fitzroy Value Fund – Roger Collison as trustee	124,372	-
Purchase of share capital - Dog Bowl Super Fund – associated with Dean Morel	112,454	-
Purchase of share capital - Dog Bowl Investment Trust - Dean Morel acting as trustee for the Trust	159,665	85,149
	181,253	142,430

Note 15. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by, the auditor of the company:

	2022 $	2021 $
Audit services - HLB Mann Judd Assurance (NSW) Pty Ltd		
Audit of the financial statements	18,750	17,500

Note 16. Contingent assets, liabilities and commitments

There are no outstanding contingent assets, liabilities or commitments as at 30 June 2022 (2021: $nil).

Note 17. Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in note 14.

DMX Asset Management Limited is also entitled to receive a management fee which is charged at 1% per annum on the value of gross assets. The management fee is payable monthly – 0.0833% per month of the value of the gross assets under management on the last business day of each month. During the year DMX Asset Management Limited has charged a performance fee of $nil (2021: $1,188,410) and a management fee of $322,558 (2021: $211,142) to DMX Capital Partners Limited. As at 30 June 2022 the performance fee payable is $nil (2021: $1,275,367) and a management fee payable is $20,547 (2021: $35,192).

Note 18. Events after the reporting period

No matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

Note 19. Reconciliation of (loss)/profit after income tax to net cash used in operating activities

	2022 $	2021 $
(Loss)/profit after income tax benefit/(expense) for the year	(1,717,430)	4,552,478
Adjustments for:		
Net (increment/decrement on financial instruments held at fair value through profit or loss	4,835,679	(5,207,542)
Change in operating assets and liabilities:		
(Increase)/Decrease in trade and other receivables	64,032	(83,281)
Residual increase in financial assets after fair value adjustment above	(6,456,700)	(5,905,332)
Decrease/(Increase) in deferred tax assets	-	11,881
Increase/(Decrease) in deferred tax liability	(1,449,989)	1,547,909
Increase/(Decrease) in trade and other payables	(1,271,524)	1,631,566
Increase in current tax liabilities	272,960	134,361
Net cash used in operating activities	(5,722,972)	(3,317,960)

Note 20. Earnings per share

	2022 $	2021 $
Profit after income tax	(1,717,430)	4,552,478
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	7,855,355	5,571,071
Weighted average number of ordinary shares used in calculating diluted earnings per share	7,855,355	5,571,071
	Cents	Cents
Basic (loss)/earnings per share	(21.86)	81.71
Diluted (loss)/earnings per share	(21.86)	81.71

DMX Capital Partners Limited
Directors' declaration
30 June 2022

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 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2022 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

____
Roger Collison
Executive Chairman

26 September 2022

Independent Auditor's Report to the Members of DMX Capital Partners Limited

Opinion

We have audited the financial report of DMX Capital Partners Limited ("the Company") which comprises the statement of financial position as at 30 June 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

(a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the 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 opinion.

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

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

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

HLB Mann Judd Assurance (NSW) Pty Ltd ABN 96 153 077 215
Level 19, 207 Kent Street Sydney NSW 2000 Australia
T: +61 (0)2 9020 4000 **F:** +61 (0)2 9020 4190 **E:** mailbox@hlbnsw.com.au

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

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

HLB Mann Judd

HLB Mann Judd Assurance (NSW) Pty Ltd
Chartered Accountants

Sydney, NSW
26 September 2022

S. Gri

S Grivas
Director

The shareholder information set out below was applicable as at 1 September 2022.

1. Top 20 Shareholders

	Name of Shareholder	# of shares	%
1	BASAPA PTY LTD <KEHOE FAMILY ACCOUNT>	634,924	7.26
2	ZAOLLA INVESTMENTS PTY LTD <MCCARTHY CHEW FAMILY AC>	537,071	6.14
3	CAMDEN EQUITY PTY LTD <BYRNE HYBRID INVESTMENT AC>	365,846	4.18
4	EASTERN PORPHRY PTY LTD <THE STUBBS FAMILY ACCOUNT>	323,566	3.70
5	DEAN GEOFFREY MOREL + JANET MARIE WILSON <DOG BOWL INVESTMENT A/C>	265,533	3.03
6	ANDREW BROTHERS MANUFACTURING P/L <ASIS SUPER FUND>	239,707	2.74
7	MR EVAN MANSFIELD	239,000	2.73
8	WHITE TIGER NOMINEES PTY LIMITED <WHITE TIGER A/C>	228,631	2.61
9	LVN INVESTMENTS P/L <LVN SUPER FUND>	222,573	2.54
10	NIVEZA PTY LTD <PETER THOMSON SUPER FUND>	193,954	2.22
11	RIVER CITY PTY LIMITED <PRENTICE SUPER FUND A/C>	185,903	2.12
12	DOUBLE BAY MARINA PTY LIMITED	177,985	2.03
13	DOLDORY PTY LTD <LEWIS FAMILY SUPER FUND>	176,957	2.02
14	MRS ANN MATTHEWS	145,891	1.67
15	BAROGA PTY LTD <BAROGA SUPER FUND>	141,545	1.62
16	SEED CAPITAL PTY LTD <FITZROY VALUE FUND A/C>	137,057	1.57
17	ROGER COLLISON + ELIZABETH COLLISON <THE COLLISON SUPER FUND>	131,931	1.51
18	SCOTT ALEXANDER MILSON + JACQUELINE MILSON <MILSON SUPERFUND A/C>	125,619	1.44
19	M & S BOWDEN SUPER PTY LTD <M & S BOWDEN SUPER FUND>	124,240	1.42
20	MAXLEK PTY LIMITED <JIM & JOELS SUPER FUND A/C>	124,172	1.42
		4,722,105	**53.96**
	Other shareholders	**4,028,274**	**46.04**
	Total	**8,750,379**	**100%**

2.Distribution of Shareholders

Spread of holdings	# of shares	# of holders	%
1 - 1000	1764	2	0.02%
1001 - 5000	26566	8	0.30%
5001 - 10000	131633	19	1.50%
10001 - 100000	3229748	93	36.91%
100001 - 999999999999	5360668	26	61.26%
TOTAL	**8,750,379**	**148**	**100%**

3.Substantial Shareholders

Name of Shareholder	# of shares	%
BASAPA PTY LTD <KEHOE FAMILY ACCOUNT>	634,924	7.26
ZAOLLA INVESTMENTS PTY LTD <MCCARTHY CHEW FAMILY AC>	537,071	6.14