

BLUE HORSESHOE VENTURES PTY LTD

ACN 649 595 040

Annual Report – 30 September 2022

Blue Horseshoe Ventures Pty Limited
Directors' report
30 September 2022

The directors present their report, together with the financial statements, on the company for the year ended 30 September 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:

Geoff Donohue
Marcus Hill
Omar Taheri
Alex Kent (alternate to Geoff Donohue)

Principal activities

During the financial year the principal continuing activities of the company consisted of:

- Financial Services - platform for digital capital raising.

Review of operations

The loss for the year amounted to \$1,319,021.

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

On 27 October 2022, 61,707 shares were issued for \$755,228 which had been received in advance and recognised in reserves as at the balance sheet date.

As at the date of signing, the company is in the process of a capital raise following successful completion of the pilot in Australia in order to fund additional product development and geographical global expansion.

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.

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.

Rounding of amounts

Amounts in this report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar.

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.

Blue Horseshoe Ventures Pty Limited
Directors' report
30 September 2022

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



Geoff Donohue
Director

28 March 2023
Perth

Auditor's Independence Declaration

To those charged with the governance of Blue Horseshoe Ventures Pty Ltd

As auditor for the audit of Blue Horseshoe Ventures Pty Ltd for the year ended 30 September 2022, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the independence requirements of the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

Elderton Audit Pty Ltd

Rafay Nabeel
Director

28 March 2023

Blue Horseshoe Ventures Pty Limited

Contents

30 September 2022

Statement of profit or loss and other comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flow	8
Notes to the financial statements	9
Independent auditor's report	18

General information

The financial statements cover Blue Horseshoe Ventures Pty Limited as an individual entity. The financial statements are presented in Australian dollars, which is Blue Horseshoe Ventures General Purpose Pty Limited's functional and presentation currency.

Blue Horseshoe Ventures General Purpose Pty Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

Aspermont Ltd, 613 Wellington St, Perth, WA 6000

Principal place of business

Aspermont Ltd, 613 Wellington St, Perth, WA 6000

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 30 September 2022. The directors have the power to amend and reissue the financial statements.

Blue Horseshoe Ventures Pty Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 September 2022

	Notes	2022	From 20 April 2021 to 30 September 2021
		\$	\$
Revenue	3	<u>12,667</u>	-
Employee Benefits Expense		(810,252)	(209,061)
Finance cost		(47,959)	(9,200)
Depreciation and amortization		(105,487)	(142)
Marketing expense		(163,180)	-
Other Expense		<u>(204,810)</u>	<u>(59,440)</u>
Loss before income tax expense		(1,319,021)	(277,844)
Income tax expense		<u>-</u>	<u>-</u>
Loss after income tax expense for the year		(1,319,021)	(277,844)
Other comprehensive income		-	-
Total comprehensive loss for the year		<u>(1,319,021)</u>	<u>(277,844)</u>
Total comprehensive loss for the year is attributed to:			
Members of Blue Horseshoe Pty Ltd		<u>(1,319,021)</u>	<u>(277,844)</u>

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

Blue Horseshoe Ventures Pty Limited
Statement of financial position
As at 30 September 2022

	Note	2022 \$	From 20 April 2021 to 30 September 2021 \$
Assets			
<u>Current Assets</u>			
Cash and Bank	5	772,056	759,621
Trade and other receivables	4	34,065	-
Total current assets		806,121	759,621
<u>Non-current Assets</u>			
Property and equipment	6	6,895	1,558
Intangibles	7	541,671	224,510
Total non-current assets		548,566	226,068
Total Assets		1,354,687	985,689
Liabilities			
<u>Current Liabilities</u>			
Trade and other payable	8	59,324	29,740
Loan from related party	9	580,431	124,000
Total current liabilities		639,755	153,740
<u>Non-current Liabilities</u>			
Loan from related party	9	1,055,351	958,983
Total non-current liabilities		1,055,351	958,983
Total Liabilities		1,695,106	1,112,723
Net Liabilities		(340,419)	(127,034)
Equity			
Issued capital	10	501,217	150,810
Reserves	11	755,228	-
Accumulated losses		(1,596,864)	(277,844)
Total Equity		(340,419)	(127,034)

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

Blue Horseshoe Ventures Pty Limited
Statement of cash flows
For the year ended 30 September 2022

	Note	2022 \$	From 20 April 2021 to 30 September 2021 \$
Loss for the year		(1,319,021)	(277,844)
<u>Adjustments for:</u>			
Depreciation and amortization		105,487	142
<u>Working capital changes</u>			
Trade and other receivables	5	(34,065)	-
Trade and other payable		29,584	29,740
Cash used in operations		(1,218,015)	(247,962)
<u>INVESTING ACTIVITIES</u>			
Purchase of property and equipment		(7,219)	(1,700)
Payments for intangibles		(420,766)	(224,510)
Net cash used in investing activities		(427,985)	(226,210)
<u>FINANCING ACTIVITIES</u>			
Loan from related parties	9	552,800	1,082,983
Proceeds from issue of shares		1,105,635	150,810
Net cash generated from financing activities		1,658,435	1,233,793
Cash and cash equivalent at beginning of the year		759,621	-
Cash and cash equivalent at end of the year	4	772,056	759,621

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

Blue Horseshoe Ventures Pty Limited
Notes to the financial statements
30 September 2022

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.

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

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the company.

The following Accounting Standards and Interpretations are most relevant to the company:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The company has adopted the revised Conceptual Framework from 1 July 2021. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the company's financial statements.

AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

The company has adopted AASB 1060 from 1 July 2021. The standard provides a new Tier 2 reporting framework with simplified disclosures that are based on the requirements of IFRS for SMEs. As a result, there is increased disclosure in these financial statements for key management personnel, related parties, tax and financial instruments.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards - Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, certain classes of property, plant and equipment and derivative financial instruments.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Blue Horseshoe Pty Limited's functional and presentation currency.

Blue Horseshoe Ventures Pty Limited
Notes to the financial statements
30 September 2022

Note 1. Significant accounting policies (continued)

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Going concern

The financial report has been prepared on the going concern basis of accounting which assumes that the Company will be able to meet its commitments, realize its assets and discharge its liabilities in the ordinary course of business. The directors recognize the Company is dependent on various funding alternatives to meet these commitments, including share placements and borrowings.

The Company has incurred a net loss after tax for the year ended 30 September 2022 of \$1,319,021 and experienced net cash outflows from operating activities of \$1,218,015. The ability of the entity to continue as a going concern is dependent on securing additional funding through the issue of further equity or debt to continue to fund its operational activities.

These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business. The financial report has been prepared on the going concern basis of accounting which assumes that the Company will be able to meet its commitments, realize its assets and discharge its liabilities in the ordinary course of business and for at least the amounts stated in the financial report.

The directors believe the Company will continue as a going concern and be able to pay its debts as and when they fall due.

Should the Company not be able to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

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.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

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.

Blue Horseshoe Ventures Pty Limited
Notes to the financial statements
30 September 2022

Note 1. Significant accounting policies (continued)

Other revenue

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

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. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost being the invoice value, less any allowance for expected credit losses. They are non interest bearing and 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.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Intangible assets

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

Blue Horseshoe Ventures Pty Limited
Notes to the financial statements
30 September 2022

Note 1. Significant accounting policies (continued)

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the company is able to use or sell the asset; the company has sufficient resources; and intent to complete the development and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2 years.

Software

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2 years.

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.

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.

Provisions

Provisions are recognised when the company has a present (legal or constructive) obligation as a result of a past event, it is probable the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

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.

Other 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 using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on 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.

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.

Note 1. Significant accounting policies (continued)

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.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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.

Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The company assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the company and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax

The company is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The company recognises liabilities for anticipated tax audit issues based on the company's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Blue Horseshoe Ventures Pty Limited
Notes to the financial statements
30 September 2022

Note 3. Revenue

	2022	From 20 April 2021 to 30 September 2021
	\$	\$
Revenue	<u>12,667</u>	<u>-</u>

Disaggregation of revenue

The disaggregation of revenue is as follows:

	2022	From 20 April 2021 to 30 September 2021
	\$	\$
Placement revenue	7,005	-
IPO revenue	2,425	-
Other revenue	3,237	-
	<u>12,667</u>	<u>-</u>

Note 4. Current assets - cash and cash equivalents

	2022	2021
	\$	\$
Cash at bank	<u>772,056</u>	<u>759,621</u>

Reconciliation to cash and cash equivalents at the end of the financial year

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows.

Note 5. Current assets - trade and other receivables

	2022	2021
	\$	\$
Trade receivables	11,418	-
Prepayments	3,987	-
Prepaid insurance	18,660	-
	<u>34,065</u>	<u>-</u>

Blue Horseshoe Ventures Pty Limited
Notes to the financial statements
30 September 2022

Note 6. Non-current assets - property, plant and equipment

	2022	2021
	\$	\$
Plant and equipment - at cost	8,919	1,700
Less: Accumulated depreciation	<u>(2,024)</u>	<u>(142)</u>
	<u><u>6,895</u></u>	<u><u>1,558</u></u>

Note 7. Non-current assets –intangibles

	2022	2021
	\$	\$
Website/ Software		
Development - at cost	645,276	224,510
Less: Accumulated amortisation	<u>(103,605)</u>	<u>-</u>
	<u><u>541,671</u></u>	<u><u>224,510</u></u>

Note 8. Current liabilities - trade and other payables

	2022	2021
	\$	\$
Trade payables	23,338	10,095
Accruals	20,560	8,500
GST	(5,019)	(5,126)
PAYG payable	-	9,742
Superannuation payable	7,961	4,955
Workers' compensation	600	1,574
ATO Payables	<u>11,884</u>	<u>-</u>
	<u><u>59,324</u></u>	<u><u>29,740</u></u>

Note 9. Loan from related parties

	2022	2021
	\$	\$
Non-current		
Founder loan	263,326	251,760
Seed loans	<u>792,025</u>	<u>707,223</u>
	<u><u>1,055,351</u></u>	<u><u>958,983</u></u>

Non-current loans has been issued to the shareholders for the period of 5 years at the rate of 4.50%

Current

Working capital loan	<u>580,431</u>	<u>124,000</u>
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Working capital loans are interest free and have no fixed terms of repayment.

Blue Horseshoe Ventures Pty Limited
Notes to the financial statements
30 September 2022

Note 10. Issued Capital

	2022	2021	2022	2021
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>121,759</u>	<u>120,947</u>	<u>501,217</u>	<u>150,810</u>

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.

Note 11. Reserve

	2022	2021
	\$	\$
Shares to be issued	<u>755,228</u>	<u>-</u>

Shares to be issued represents the amount received in advanced for subscription of 61,707 shares, which were allotted subsequent to year end on 27 October 2022.

Note 12. Events after the reporting period

On 27 October 2022, 61,707 shares were issued for \$755,228 which had been received in advance and recognised in reserves as at the balance sheet date as disclosed in Note 11.

As at the date of signing, the company is in the process of a capital raise following successful completion of the pilot in Australia in order to fund additional product development and geographical global expansion.

Blue Horseshoe Ventures Pty Limited
Directors' Declaration
30 September 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 September 2022 and of its performance for the period 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



Geoff Donohue
Director

28 March 2023
Perth

Independent Audit Report to the members of Blue Horseshoe Ventures Pty Ltd

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of Blue Horseshoe Ventures Pty Ltd (the Company), which comprises the statement of financial position as at 30 September 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:

- (i) giving a true and fair view of the Company's financial position as at 30 September 2022 and of its financial performance for the year then ended; and
- (ii) 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 as 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, 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.

Material Uncertainty related to Going Concern

We draw attention to the Basis of Preparation note on page 10 of the financial report, which described that the ability of the company to continue as a going concern is dependent on the debt and equity finance. As a result, there is a material uncertainty related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern, and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

Our opinion is not modified in respect of this matter.

Other Information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is included in the annual report 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 on the other information obtained prior to the date of this auditor's report, 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 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.

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

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 the 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.

Elderton Audit Pty Ltd.

Elderton Audit Pty Ltd

Rafay

Rafay Nabeel
Director

Perth
28 March 2023