IOUPAY LIMITED
(FORMERLY ISENTRIC LIMITED)
AND CONTROLLED ENTITIES
ACN 091 192 871

2021 ANNUAL REPORT

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Chairman's Letter

The 2021 financial year has presented many challenges as people and businesses have had to navigate the impacts of the COVID-19 global pandemic. Pleasingly, through this time, IOUpay has been able to achieve a number of significant foundational development milestones which have the Company well positioned to deliver on identified growth opportunities as we commence the 2022 financial year.

Strategic growth opportunities identified

Rebranding

Early in FY21 the decision was made by the board to restructure and change the Company name from iSentric Limited to IOUpay Limited, resulting in a change of ASX code from ASX:ICU to ASX:IOU with associated changes in branding to reflect the Company's revised focus on its core fintech activities of mobile banking and digital purchase and payments services. The rebranding exercise was comprehensively supported by shareholders and the broader market with formal approval passed at a General Meeting of shareholders on 30 September 2020.

A review of our business divisions and the South East Asia (SEA) market was conducted in the first quarter of FY21 to identify new digital payments opportunities leveraging our existing local market banking and big brand relationships and our proven technical expertise in the high volume, secure payments processing market. Growth opportunities identified included large scale Buy-Now-Pay-Later (BNPL) services in Malaysia and high volume digital payment portfolio opportunities in Indonesia, each having potential to scale and expand into other SEA territories under our IOUpay brand.

With a clear direction for development established, the board identified and secured experienced senior management, bringing onboard experienced executives with the requisite skillsets to execute on our identified growth initiatives. New appointments were made with Khong Kok Loong (CEO, Malaysia), Kenneth Kuan (Group CFO) and Lau Teck Huat (CTO) joining the leadership team.

To fund the evolution of the Company and its significant product development initiatives, capital raisings were successfully completed in July for $1.5 million from sophisticated investors and in September for $2.1 million from existing shareholders via a share purchase plan (SPP). Both raisings were strongly supported with the SPP in particular well oversubscribed indicating high confidence from existing shareholders in the Company's development plans.

During the September 2020 quarter, significant investment was made into various improvements and enhancements were made to the IOUpay technology platform capabilities to originate, authenticate and process mobile banking and digital payments.

A market update and investor presentation was released late October 2020 to communicate the strategic focus and direction of the Company, and more clearly inform the market of the Company's business activities.

This update and the new positioning were well received by shareholders and the broader market alike as evidenced in November by the very strong support shown for a two tranche share placement raising over $10 million with funds applied to ongoing new product development and digital payment inventories, as well as the increasing working capital requirements of the business.

In November 2020, we were pleased to welcome leading Malaysian corporate lawyer Datuk Khairul Idham Bin Ismail to the Company's board of directors as an independent non-executive director.

Datuk Khairul's public company experience, legal and governance expertise has provided an extremely valuable addition to the leadership of the Company.

During the December Quarter various system and compliance related measures were also implemented and secured to enable the Company to offer BNPL services to consumers and merchants in Malaysia. These included compliance with the Personal Data Protection Act 2010 (PDPA), the Anti-Money Laundering Act 2010 (AMLA) and the Card Payment Schemes of the major credit and debit card issuers in Malaysia including Visa, Mastercard, Amercian Express and JCB. Development and testing of our consumer and merchant Apps including BNPL transaction processing capabilities and interoperability with customer, merchant, administration and payment gateway systems was also successfully completed.

Additional resources were applied to the development and testing of new platform modules for payment gateways, merchants and consumers commenced, including smart electronic know-your-customer (e-KYC) authentication, biometric recognition, password tokenisation, embedded encryption, DDOS Attack Prevention, Anti-Fraud protection and various other aspects of BNPL transaction processing.

This enabled the Company to finalise merchant service agreements with two payment gateways and a partnering bank to facilitate processing of BNPL payments for purchases and also credit card and debit card payments for consumer BNPL instalments as announced in December.

In January we welcomed Byung Moo Shin to the Company's board of directors as an independent non-executive director. Mr Shin's institutional investment, financial technology and direct Asian market experience are three key domains of expertise for the board and Company focus.

We also announced the Company having secured a Malaysian Money Lending Licence required to comply with Malaysia's Money Lending Act 1951 (MA1951 Licence) by way of the $1.375m acquisition of MA1951 Licence holder Sibu Kurnia Marine Sdn Bhd (SKM) which, combined with the Company's compliance with Bank Negara Malaysia's Financial Services Act 2013, completed the Company's compliance requirements within BNPL regulatory framework for Malaysia.

We strive to deliver best-in-class shopping, purchase and payment experiences to South East Asian consumers and merchants empowering them to become smarter users of BNPL services.

Our IOUpay BNPL platform functionality and system integrations deliver a unique and market leading customer and merchant experience. They optimise important online and in-store user requirements including easy onboarding, fast transaction processing speed, convenience, integrity and security which are all features designed to differentiate IOUpay from competitors in addition to other product and service features.

With much of the significant technology platform development work completed and the various regulatory and compliance requirements met, the Company worked towards a soft launch of the flagship myIOU BNPL service during the March quarter 2021.

In February 2021, the Company completed its largest single capital raising with a placement of $50 million completed within 48 hours. Strong demand from both new and existing institutional investors significantly exceeded available placement capacity, validating market support for the Company's plans for growth in SEA.

With cash in the bank to fund BNPL portfolio growth and the technology platform developed and being tested live during the soft launch period, the Company moved to apply resources to focus on accelerated merchant onboarding, prioritising high volume and premium yielding merchants across key industry sectors. Business development teams were established to manage key partner accounts and merchant relationships.

From February through June 2021, the Company announced merchant referral agreements with four of Malaysia's largest merchant networks, including EasyStore, iPay88, MYP1 and Razer Merchant Services. The Company then commenced work with these partners to integrate their systems to the myIOU platform so that merchants could be acquired and consumer BNPL transactions processed.

Marketing initiatives were developed including a comprehensive digital marketing campaign supported by online and in-field merchant services team. Whilst these in-field activities commenced in May, the impact of Malaysia's Movement Control Order (MCO) Level 4 lockdown restrictions imposed across Malaysia on 1 June due to record new cases of COVID-19 meant the introduction of third party merchant services teams was deferred until the lifting of MCO restrictions which is just beginning as we approach the end of this September 2021 Quarter during which time consumers are able to begin to visit certain in-store merchants which hopefully will expand to the wider retail and commercial sectors in the coming months. In the meantime, our focus has continued to be centred on online e-commerce merchants and the acquisition of new merchant relationships with large proven distribution channels and customer communities.

IOUpay aspires to generate new economic growth and positive human experiences by making financial services more accessible for the large underbanked and unbanked communities.

In early May 2021, the Company announced a partnership with RMS Reloads (a Razer Fintech company) for a collection agency service to enable IOUpay customers to make BNPL instalment payments at any merchant across RMS Reloads' extensive national merchant network. RMS Reloads has over 10,000 physical points of presence in Malaysia where IOUpay customers will be able to make offline-to-online (O2O) payments using cash or e-wallets over the counter for part or all of their BNPL instalments. The Company expects the RMS Reloads bill payment collection service to be live and available to all registered and approved IOUpay BNPL customers during the December Quarter of 2021.

Also in May, we welcomed a fifth director to the board of directors with the appointment of Paul Russell as a director. Mr Russell's valuable domain expertise in receivables portfolio development and funding complement the existing board members' skills and experience. The board now includes three non-executive directors and two executive directors, three of whom are Australian residents.

On 15 June, despite facing highly restrictive MCO Level 4 lockdown conditions, we pressed on with the scheduled official launch of our myIOU BNPL service offering and consumer and merchant Apps. Due to the prevailing restrictions, the launch was conducted virtually and streamed live. The guest of honour at the launch was Datuk Michael Kang Hua Keong, in his capacity as National President of the SME Association of Malaysia.

The success of the launch was underlined by the extensive attention paid by print and broadcast media. The total average audience reach for the media covering our launch was more than 8.6 million people which was a very strong result.

Following the official launch of myIOU, the Company has been pleased with early take-up and transaction volumes.

At the end of FY21, we welcomed a new senior executive to the team with Christopher Kok Min Joon appointed to the role of Regional Commercial Officer. Mr Kok bolsters key account and commercial management capabilities and provides a proven resource to lead IOUpay's strategic expansion into new SEA territories.

COVID-19 Environment

Malaysia has experienced significant disruption since its first officially reported cases of COVID-19 confirmed late January 2020. The Malaysia Government implemented a Movement Control Order (MCO) on 18th March 2020 which was variously extended and modified throughout 2020 and into 2021.

The Company implemented COVID-safe work practices, following Malaysia Government guidelines, and facilitated remote access to systems during stay-at-home periods. All systems have been maintained and are able to operate on a business-as-usual basis.

During Phase 1 of the MCO the Ministry of International Trade & Industry (MITI) designated IOUpay as an essential business (payments) and approved the Company to operate with strict compliance to the standard operating procedures (SOP) working environment specified by MITI.

Societal and economic disruption during the pandemic has accelerated growth in digital payments, contactless payment methods and e-commerce activity. Opportunities for innovative financial technologies are rapidly evolving as consumer communities and commercial enterprises seek digital solutions. The Company is set to benefit from this evolution through all of its business channels – digital payments, mobile banking and BNPL services.

Team

A dynamic and energetic team of fintech enthusiasts have collaborated across diverse technical and professional domains to deliver on the substantive evolutionary developments that now position IOUpay to become the leading provider of BNPL services in South East Asia.

Through the outstanding efforts of our staff and senior management the foundations have now been laid to drive growth as we execute on our development, sales and marketing initiatives.

Looking Forward

In the Investor Presentation announced in March 2021, the Company indicated in its 'Roadmap' that its BNPL capability would be expanded to offer services into two additional South East Asia territories. Whilst this remains the clear strategic objective, in light of travel restrictions and the extreme health emergency situation in each of the target jurisdictions, expansion into new SEA territories has been placed in abeyance until COVID-19 pandemic controls are eased. We expect to re-activate these initiatives as soon as it is feasible to do so.

The Company has a sophisticated digital marketing strategy that targets key cultural demographic groups and communities throughout Malaysia. A portfolio of social media influencers, led by global entertainment icon Yuna, who was recently announced as "the face of myIOU", has been developed with tactically selected individual influencers who have significant community followings and alignment with the Company's brand values to drive awareness in and engagement with the myIOU service offering.

Targeted social media content is deployed across a variety of platforms and channels targeting specific communities of consumers and merchants that the Company believes will benefit from and engage most with its myIOU BNPL services.

More recently in September we announced our commitment to a highly strategic value-added investment of MYR126 million (approx. $42 million) to acquire a 42% stake in specialised Malaysian finance company, I-Destinasi Sdn Bhd (IDSB).

The investment in IDSB represents a non-controlling interest in a uniquely and strategically aligned business with IOUpay. Acting as a service provider to Malaysian retail banks, IDSB provides new account processing, credit, collections and account management services for long term instalment based finance to civil servant customers of Malaysian retail banks, with the average term being 10 years.

The strategic rationale for making the investment is to collaborate with IDSB and cross-sell our BNPL service offerings to IDSB customers as our offerings are essentially short term renewable instalment plans for smaller affordable purchase amounts. There is also the potential to market our myIOU BNPL service into the large customer communities of the partner banks who exclusively contract IDSB to process and manage their civil servant loan portfolios.

With an existing loan book of $815 million, more than 37,000 active customers and 50,000 lifetime customers with stable incomes, well documented credit histories and proven demand for instalment based products, this customer base has significant value to IOUpay far in excess of the prospective cash dividends from the strong cashflows and profits generated by IDSB's business which has been established for over forty years. The captive IDSB customer base has a high propensity for multiple BNPL accounts per customer, higher BNPL spending limits and continuous active BNPL usage which are key intrinsic revenue and value accretive drivers for BNPL service providers including IOUpay.

IDSB has recently enjoyed significant customer and revenue growth which we believe, all things remaining equal, has the potential to continue well into the future which bodes well for IOUpay and our shareholders.

On behalf of the Board, I extend most sincere appreciation to all employees and senior management for their outstanding contribution, and for enthusiastically embracing our shared vision and plans for the future. As a unified team they have risen to the many challenges faced through a new technology development and launch, and they've done all of that amidst the uncertainty and restrictions resulting from the ongoing COVID-19 pandemic. I would also like to express, on behalf of the Board, our gratitude to IOUpay's many new customers, merchants and partners who have joined the extended IOUpay family.

Finally, on behalf of the Board, I would like to sincerely thank our shareholders who have supported us throughout the year. Your faith in our vision and strategy is truly appreciated.

We look forward to FY22 as IOUpay seeks to accelerate its BNPL growth throughout Malaysia and (C19 permitting) into SEA.

(Aaron) Lee Chin Wee
Executive Director & Interim Chairman

The Directors present their report together with the financial report of IOUpay Limited (formerly iSentric Limited) and its controlled entities (ASX:IOU) for the financial year ended 30 June 2021.

Directors

The names of Directors in office at any time during or since the end of the financial year are:

Lee Chin Wee	Executive Director, Interim Chairman from 8 July 2020
Paul Russell	Executive Director (Appointed 12 May 2021)
Kwong Yang Chong	Non-Executive Director
Datuk Khairul Idham Bin Ismail	Non-Executive Director (Appointed 26 November 2020)
Byung Moo Shin	Non-Executive Director (Appointed 11 January 2021)
Raymond Hor	Non-Executive Director (Resigned 26 November 2020)
Andrew Bristow	Non-Executive Director (Appointed 8 July 2020, ceased 11 January 2021)
Bai GuoJin	Non-Executive Director (Resigned 28 September 2020)
Tim Monger	Non-Executive Chairman (Resigned 8 July 2020)

Company Secretary

Jarrod White	Appointed 8 July 2020
Gary Stuart	Resigned 8 July 2020

Principal Activities

IOUpay Limited (ASX:IOU) provides fintech and digital commerce software solutions and services that enable its institutional customers to securely authenticate end-user customers and process banking, purchase and payment transactions.

The Company's core technology platform enables large customer communities to connect to end user customers using any mobile device and integrate mobile technology throughout their existing business and customer product offerings. The Company's business divisions consist of Mobile Banking, Digital Payments and Digital Services which service the top 20 banks in Malaysia and large telco's and corporates in Malaysia & Indonesia. IOUpay also works with telecommunication network providers to provided mobile OTT (over-the-top) services that leverage their subscriber base to build active communities.

Significant Changes in State of Affairs

- Multiple significant capital raisings that have raised a total of $64,051,739;
- Increase in market capitalisation from ~$4 million to ~$130 million;
- Change of name and ticker code to IOUpay Limited (ASX.IOU)
- Continued growth in mobile banking business;
- Purchase of money lending license in January 2021 through acquisition of Sibu Kurnia Marine Sdn Bhd that led to the launch of consumer lending in Malaysia and allow a BNPL product offering compliant with local legislation;
- Launch of full Buy Now Pay Later Service Offering;
- My IOUpay launched and live in the Google Marketplace from June 2021;
- Secured multiple merchant partners EasyStore, MyP1, iPay 88, Razer and many others;

- Developed and implemented a major digital marketing strategy including social media and securing Yuna and a wider portfolio of social media influencers of global significance;
- Yuna announced as the 'Face of IOUpay'.

Review of Operations

For the year ended 30 June 2021, the consolidated entity generated an after-tax loss of $4,793,588 (2020: loss $2,610,228), had net cash outflows from operating activities of $3,959,618 (2020: inflows $81,437) and had net assets of $57,036,104 (2020: $2,465,177).

Revenue has seen an increase of 12% on the prior year to $7,186,717 reflecting an increase in the Company's Mobile Banking division. The driver of the increase has been the reliance on digital and mobile technologies resulting from the COVID-19 restrictions across the Globe.

The Groups cash and cash equivalent position improved significantly due to a series of successful capital raisings between July 2020 and February 2021 raising a total of $64,051,739 in new capital.

Dividends

No interim dividend was declared or paid during the current financial year. The directors are recommending that no final dividend to be paid in respect of the year ended 30 June 2021 (2020: $nil).

Financial Position

The net assets of the consolidated group have increased by $54,570,927 from 30 June 2020 to $57,036,104 as at 30 June 2021.

As at 30 June 2021, the consolidated group has a working capital surplus, being current assets less current liabilities, of $54,772,461 (2020: $191,195).

Likely Developments

- Existing core mobile banking services to be maintained and expanded to compliment emerging BNPL offering and corporate focus;
- Territory expansion in the Southeast Asia region to launch myIOU and IOUpay offering in other local markets;
- Initiatives to grow key performance metrics of the BNPL business which was launched in June 2020.

Director Information

Mr Lee Chin Wee **Executive Director, Interim Chairman**

Appointed 8 September 2014, appointed Interim Chairman on 8 July 2020

Mr Lee has over 20 years' experience in a Fintech space, mobile payment, mobile banking solutions, digital marketing and telecommunication industry. He was a former business consultant of Accenture focusing on telecommunications billing systems, products developments and revenue assurance.

Mr Lee holds a First Class BEng (Hon) Degree in Electrical & Engineering from University College London and a Master of Business Administration (MBA) from University of Malaya.

Mr Datuk Khairul Idham Bin Ismail **Non-Executive Director**

Appointed 26 November 2020

Mr Idham Bin Ismail D.P.S.M. is a lawyer by profession. Datuk Khairul was called to the Malaysian Bar in September 2000 and holds a LLB (2nd Class Upper Division) from King's College, London and a Certificate in Legal Practice (C.L.P.) from the Legal Profession Qualifying Board of Malaysia.

Datuk Khairul started his legal career with Messrs David Chong & Co in 2000 before joining the Corporate Secretarial and Legal Department of MMC Corporation Berhad in January 2003. In 2006 Datuk Khairul joined Messrs Naqiz & Partners and was promoted to become its Managing Partner in 2015. Datuk Khairul's experience in the legal industry includes all corporate & commercial matters, capital markets, Islamic banking & finance, construction and real estate transactions, infrastructure and projects, corporate restructuring, public-private partnerships, privatisation and intellectual property.

Mr Paul Russell **Executive Director**

Appointed 12 May 2021

Paul Russell brings 15 years of institutional banking experience with Australia's leading financial institutions as a senior structured asset finance practitioner. Operating out of Sydney, he originated and executed transactions for large corporates, governments and institutional relationships across Australia and the Asia-Pacific region. Ranging from big-ticket capex funding for mining, aviation and marine equipment through to portfolio finance for specialised non-bank financial institutions, Paul's transaction and relationship experience has covered a range of industries, jurisdictions, regulatory frameworks and credit profiles. In his previous role as Director, Structured Asset Finance at Westpac Institutional Bank, Paul was involved in building a portfolio of direct and third-party originated receivables, relationship management, product development, credit structuring & evaluation, and growing the bank's Debt Capital Markets business.

Mr Kwong Yang Chong **Independent Non-Executive Director**

Appointed 8 September 2014

Kwong Yang Chong is of Australian nationality. Kwong Yang Chong is the Chief Financial Officer of Donaco International Limited. He has substantial experience in finance and accounting and is a CPA Australia member. Kwong Yang Chong's relevant experience includes:

(a) Audit manager at Ernst & Young for ten years;
(b) Financial controller of a leading commercial advertisement production Group in Malaysia for 10 years;
(c) Corporate Finance Manager and Company Secretary of Eaton Industries Pty Ltd, a wholly owned company of Eaton Corporation, a Fortune 500 company listed on the US stock exchange; and
(d) Chief Financial Officer of Donaco International Ltd (an ASX listed company).

Mr Byung Moo Shin **Non-Executive Director**

Appointed 11 January 2021

Mr Shin is a commercial lawyer by profession holding an LLB, Bachelor of Commerce & Bachelor of Laws from The University of Sydney (2011) and having been admitted as a Lawyer of the Supreme Court of New South Wales by the NSW Legal Profession Admission Board in 2012. Mr Shin specialises in institutional investment and asset management, specifically inbound and outbound South Korean investment across a diverse range of industries. Mr Shin has a strong passion for the financial technology sector and has held senior executive roles with Trihill Partner Investment Management and Hangang Asset Management in Seoul, South Korea and Manhattan, New York.

Directors' Interests in Shares and Options

Directors	**Existing Shares**
Direct Interest	
Kwong Yang Chong	38,000
Lee Chin Wee	4,692,843
Datuk Khairul Idham Bin Ismail	-
Byung Moo Shin	-
Paul Russell	-
Raymond Hor*	833,334
Bai GuoJin*	10,000,000
Andrew Bristow*	-
Tim Monger*	1,000,000

* As at dates of resignation

Meetings of Directors

The number of director's meetings attended by each of the directors of the Company during the financial year were**:**

Director	**Directors' Meetings**		**Audit & Remuneration**	
	Number Attended	**Number Eligible to Attend**	**Number Attended**	**Number Eligible to Attend**
Lee Chin Wee	23	23	2	2
Kwong Yang Chong	22	23	2	2
Datuk Khairul Idham Bin Ismail	5	6	-	-
Byung Moo Shin	6	6	-	-
Paul Russell	1	1	-	-
Tim Monger	-	-	-	-
Raymond Hor	12	14	2	2
Bai GuoJin	9	9	-	-
Andrew Bristow	14	14	2	2

Remuneration Report

Remuneration levels for Directors and executives are determined as part of an annual performance review, having regard to market factors, a performance evaluation process and independent remuneration advice. Remuneration packages comprise only a fixed salary component. The remuneration structures in place are designed to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders. The remuneration structures take into account the following:

(a) The capability and experience of the Directors and executives; and
(b) The Directors and executive's ability to control the financial performance of the Company's operations.

Fixed remuneration

Fixed remuneration consists of base remuneration (which is calculated on a total cost basis and includes any FBT payable related to employee benefits), as well as employer contributions to superannuation funds. In addition, external consultants provide analysis, and when requested, advice to ensure the Directors' and senior executives' remuneration is competitive in the market place.

Service agreements

Executives have service agreements that are capable of termination within three months. In the event of termination or resignation, employees are entitled to their statutory entitlements to annual leave and long service leave, if applicable.

There are service agreements in place with:

- Mr Lee Chin Wee, the key terms of that agreement are:
    - the service agreement commenced 1 October 2020, extended 1 December 2020;
    - the consultancy fee is MYR20,000 (AU$6,709 as at RBA rate on 1 October 2020) for two months;
    - the consultancy fee for the 1 month extension is MYR10,000 (AU$3,328 as at RBA rate on 1 December 2020);
    - all consultancy fees include applicable deductions required by the law; and
    - the Company may terminate the agreement without cause and without liability, by giving 30 calendar days written notice of such termination;
- Mr Paul Russell, the key terms of that agreement are:
    - the consultancy commenced 12 May 2021 and will continue on a month to month basis for a 12 month period renewable term;
    - consultancy fee of $10,500 ex GST per month, less applicable deductions required by law;
    - the consultancy fee is subject to a quarterly review by the Chairman; and
    - the Company may terminate the agreement immediately if there are any material breach as outlined in the agreement, otherwise either party may terminate the agreement with three calendar months written notice.

There are no other service agreements with the other Directors.

Non-executive directors

Total aggregate remuneration for all non-executive Directors approved by shareholders at an annual general meeting totalled $250,000 (plus statutory superannuation). Director fees paid or payable to non-executive Directors total $132,899. Fees for non-executive directors are not linked to the performance of the consolidated group. Currently, the remuneration for a non-executive director is $48,000 per annum plus an additional $6,000 per annum to serve as the Chairman or head of any Board approved committee.

Directors' fees cover all main Board activities. Directors who perform additional duties (e.g. extended business related travel overseas, special projects relating to preparation of half year and annual reports) over and above that of normal Director's duties are remunerated on commercial terms and conditions. Details of the nature and amount of each major element of remuneration for each Director of the Consolidated Entity and each of the most highly remunerated officers are as follows:

Details of remuneration

Total remuneration paid or payable to the Key Management Personnel for the year ended **30 June 2021** is set out below:

	Short term employee benefits		
Key Management	**Director's Fees**	**Remuneration**	**Total**
	$	$	$
Lee Chin Wee	68,636	59,033	127,669
Kwong Yang Chong	34,500	-	34,500
Byung Moo Shin *	26,500	-	26,500
Paul Russell **	6,630	-	6,630
Datuk Khairul Idham Bin Ismail ***	23,372	-	23,372
Bai GuoJin ****	2,381	-	2,381
Raymond Hor *****	15,000	-	15,000
Andrew Bristow ******	24,516	-	24,516
Tim Monger	4,125	-	4,125
Kenneth Kuan Choon Hsuing ^^	-	141,206	141,206
Tham Jee Yeung^^^	-	17,262	17,262
Total	**205,660**	**217,501**	**423,161**

* Appointed 11 January 2021
** Appointed 12 May 2021
*** Appointed 26 November 2020
**** Resigned 28 September 2020
***** Resigned 26 November 2020
****** Appointed 8 July 2020 - Ceased to be a director as of 11 January 2021 after not being re-elected by shareholders at the AGM
^ Resigned 8 July 2020
^^ Appointed 1 July 2020
^^^ Terminated 31 July 2020

Total remuneration paid or payable to the Key Management Personnel for the **year ended 30 June 2020** is set out below:

Key Management	Short term employee benefits Director's Fees	Remuneration	Total
	$	$	$
Lee Chin Wee	-	92,814	92,814
Kwong Yang Chong	23,750		23,750
Raymond Hor	-	-	-
Bai GuoJin*	5,000	-	5,000
Tim Monger^	23,750	-	23,750
Tham Jee Yeung**	-	211,087	211,087
Total	52,500	303,901	356,401

*Appointed 3 March 2020, resigned 28 September 2020
^Resigned 8 July 2020
**Terminated 31 July 2020

Options issued as part of remuneration for the year ended 30 June 2021

No options have been granted as part of remuneration to any Director and 1,650,000 options were issued during the year (but unvested at year end) to other key management personnel of the group (2020: Nil).

The Directors are of the view that at the current stage of IOU's development, the above framework is appropriate in achieving shareholder objectives and supporting an appropriate culture having regard to the sectors and regions in which we operate.

The Board seeks independent advice on market practices in determining reward outcomes for directors and senior staff across the group. Executive remuneration consists of fixed remuneration which includes contributions to superannuation funds and where appropriate, incentives reflecting the company and individual performance; those benefits being delivered in the form of cash or equity as determined by the Board.

The Board reviews executive packages annually, referencing the company's performance compared to our strategy and business plan and draw upon information from industry sectors and relevant listed companies in similar sectors and operating in similar regions to IOU.

The Board engages independent advisors as appropriate in the conduct of its annual review process. This advice is sought in relation to non-executive directors, executives and other key management of the group. We have set out below the key elements of executive and director remuneration, and details of key management personnel remuneration for both the 2021 and 2020 financial years.

We look forward to shareholders' continued strong support for the organisation's strategies and the Board's current assessment of our performance. We will continue to ensure that the outcomes of our annual remuneration reviews are appropriate to the evolving challenges faced by the company in the period ahead, as well as the opportunities which the Board and the executive team are continually reviewing for the benefit of shareholders

[This is the end of the Remuneration Report].

Audit Committee

The Audit Committee consisted of Mr Tim Monger (resigned 8 July 2020), Mr Kwong Yang Chong and Mr Raymond Hor up until the date of his resignation, at which point the Board resolved for all members of the Board to be members of the Audit & Risk Committee due to the number of Board appointment changes during the financial reporting period. This meant that under the Chairman of the Audit & Risk Committee, all Directors became responsible in fulfilling the functions of the Audit Committee.

This involves maintaining a Code of Corporate Conduct for the consolidated group, and to ensure additional assurance with respect to the quality and reliability of the information provided is prepared or approved by third party providers. The board is responsible for the appointment of the external auditor. The Board is responsible for reviewing the effectiveness of the organisation's internal control environment covering:

(a) effectiveness and efficiency of operations

(b) reliability of financial reporting

(c) compliance with applicable laws and regulations.

In fulfilling its responsibilities, the Board receives monthly management accounts which are tabled at monthly board meetings.

Environmental Issues

The consolidated group's operations are not subject to significant environmental regulation under a law of the Commonwealth or of a state or territory of Australia.

Directors' and Executive Officers' Indemnification

The Consolidated Entity has not, during the financial year, in respect of any person who is or has been an officer or auditor of the Consolidated Entity or a related body corporate, indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, including costs and expenses in successfully defending legal proceedings.

During the financial year, the Consolidated Entity paid insurance premiums of $45,647 (excluding of GST) to insure the Directors and officers of the consolidated entity for costs and expenses which may be incurred in defending civil or criminal proceedings that may be brought against the Directors and officers in their capacity as Directors and officers of entities in the group.

There is no indemnification in relation to the auditors.

Non-audit Services

During the year, MNSA Pty Ltd, the Company's Auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the Auditor and is satisfied that the provision of those non-audit services during the year by the Auditor is compatible with, and did not compromise, the Auditor independence requirements of the Corporations Act 2001 for the following reasons:

(a) all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Committee to ensure they do not impact the integrity and objectivity of the Auditor;
(b) the non-audit services do not undermine the general principles relating to auditor independence;
(c) as set out in APES110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the Auditor's own work, acting in management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

The following amounts were paid or are payable by the Consolidated Entity for non-audit services provided during the year:

	2021 $	2020 $
Non audit services		
Tax compliance services	1,100	1,100

Options

During the financial year, the company issued 21,650,000 options (2020: nil):

1. 20,000,000 unlisted options expiring 30 September 2021, exercisable at $0.04 each. All options were exercised by 30 June 2021;
2. 1,650,000 unlisted options expiring 1 May 2023. These options have a nil exercise price and will vest 2 years from the date of employee acceptance

The balance of options as at 30 June 2021 is 1,650,000 (2020: nil).

Proceedings on Behalf of 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.

Matters Subsequent to the End of the Financial Year

Subsequent to 30 June 2021, the Company acquired 42% of I-Destinasi Specialised Malaysian Finance Company:

- IOUpay to acquire 42% of I-Destinasi Sdn Bhd ("IDSB"), one of Malaysia's leading providers of long term instalment based consumer credit services;
- Investment of RM126 million (~A$41.3 million[1]) to be paid in two tranches over a six month period (with the option to accelerate the second tranche);
- IDSB is a complementary business with IOUpay with prospective collaboration opportunities for cross-selling between IOUpay's short term (up to 6mths) BNPL offering and IDSB's longer term (10 yrs) consumer loan products;
- IDSB holds a unique and highly valuable AG Code2 licence (1 of only 2 in Malaysia) providing a significant competitive advantage to IDSB in the consumer credit market in Malaysia;

- IDSB will be accounted for as an associate under AASB12 and AASB128, using the Equity Method:
    - On initial recognition the investment in an associate or a joint venture is recognised at cost;
    - The carrying amount is increased or decreased to recognise the Company's share of the profit or loss of IDSB after the date of acquisition;
    - The Company's share of the investee's profit or loss is recognised in the investor's profit or loss. Distributions received from IDSB reduce the carrying amount of the investment.

There are no other material subsequent events to balance date.

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2021 has been received and can be found on page 17 of this Financial Report.

Signed in accordance with a resolution of directors.

Lee Chin Wee
Executive Chairman
Sydney
30 September 2021

IOUPAY LIMITED
AND CONTROLLED ENTITIES
ACN 091 192 871

AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF IOUPAY LIMITED AND CONTROLLED ENTITIES

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been no contraventions of:

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

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

MNSA Pty Ltd
MNSA Pty Ltd

Mark Schiliro
Director

Sydney
Dated this 30th of September 2021

MNSA Pty Ltd
ABN 59 133 605 400

Level 1, 283 George St
Sydney NSW 2000
GPO Box 2943 Sydney 2001

Tel (02) 9299 0901
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Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021

	Note	Consolidated Group 2021 $	2020 $
Revenue		7,186,717	6,390,287
Cost of Sales		(5,998,106)	(4,745,050)
Gross Profit		**1,188,611**	**1,645,237**
Other income	2	531,739	124,006
Amortisation and depreciation		(580,078)	(659,396)
Compliance and professional fees		(3,000,679)	(464,256)
Employee benefits expenses		(1,611,709)	(1,497,175)
Administration expenses		(413,551)	(242,895)
Marketing expenses		(139,724)	(125,459)
Travel expenses		(36,446)	(85,364)
Insurance expenses		(39,647)	(5,199)
Finance costs		(11,906)	-
Share-based payments		(67,710)	-
Impairment expense		(490,385)	(739,153)
Loss on disposal of fixed assets		-	(255,231)
Other expenses		(117,967)	(119,408)
Loss before tax		**(4,789,452)**	**(2,424,293)**
Income tax expenses	3	(4,136)	(185,935)
Net loss for the year		**(4,793,588)**	**(2,610,228)**
Other comprehensive income			
Items that will be reclassified subsequently to profit or loss when specific conditions are met:			
Exchange difference on translating foreign operations, net of tax		(150,739)	(8,705)
Total comprehensive loss for the year attributable to members of the parent entity		(4,944,327)	(2,618,933)
		Cents per share	**Cents per share**
Earnings per share			
- Basic	6	(1.14)	(1.37)
- Diluted	6	(1.14)	(1.37)

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

Consolidated Statement of Financial Position as at 30 June 2021

		Consolidated Group	
	Note	2021	2020
Assets		$	$
Current Assets			
Cash and cash equivalents	7	51,408,709	578,063
Trade and other receivables	8	4,952,995	1,747,887
Inventories		292,046	-
Total Current Assets		56,653,750	2,325,950
Non-Current Assets			
Property and equipment	10	1,504,929	135,453
Intangible assets	11	1,627,199	2,138,529
Total Non-Current Assets		3,132,128	2,273,982
Total Assets		**59,785,878**	**4,599,932**
Liabilities			
Current Liabilities			
Trade and other payables	12	1,663,107	2,134,755
Lease liabilities	19	218,182	-
Total Current Liabilities		1,881,289	2,134,755
Non-Current Liabilities			
Lease liabilities	19	828,541	-
Provision for restoration costs		39,944	-
Total Non-Current Liabilities		868,485	-
Total Liabilities		**2,749,774**	**2,134,755**
Net Assets		**57,036,104**	**2,465,177**
Equity			
Issued capital	13	80,611,576	21,164,032
Reserves	22	439,014	522,043
Retained losses		(24,014,486)	(19,220,898)
Total Equity		**57,036,104**	**2,465,177**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity for the year ended 30 June 2021

Consolidated Group

	Issued Capital $	Reserves $	Accumulated losses $	Total $
Balance at 30 June 2019	**20,966,750**	**530,748**	**(16,610,670)**	**4,886,828**
Foreign currency translation	-	(8,705)	-	(8,705)
Shares issued	200,000	-	-	200,000
Cost related to share issues	(2,718)	-	-	(2,718)
Loss for the year	-	-	(2,610,228)	(2,610,228)
Balance at 30 June 2020	**21,164,032**	**522,043**	**(19,220,898)**	**2,465,177**
Foreign currency translation	-	(150,739)	-	(150,739)
Shares issued	64,438,875	-	-	64,438,875
Cost related to share issues	(8,020,413)	-	-	(8,020,413)
Options issued during the year	-	3,029,082	-	3,029,082
Options converted during the year	3,029,082	(3,029,082)	-	-
Share-based payments expense	-	67,710	-	67,710
Loss for the year	-	-	(4,793,588)	(4,793,588)
Balance at 30 June 2021	**80,611,576**	**439,014**	**(24,014,486)**	**57,036,104**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows for the year ended 30 June 2021

	Note	Consolidated Group 2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		6,979,608	6,652,037
Payments to suppliers and employees		(10,767,300)	(6,674,746)
Payments to merchants		(523,867)	-
Finance costs paid		(1,305)	(4,599)
Interest received		271,854	567
Income tax (paid)/refund		(36,390)	(15,261)
Other		117,782	123,439
Net cash (outflow)/inflow operating activities	17	**(3,959,618)**	**81,437**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for plant and equipment		(438,715)	(67,455)
Payments for intangible assets		-	(299,769)
Payments for other non-current assets		-	-
Payments for purchase of inventories		(1,456,650)	-
Deposits for investment		(1,199,974)	-
Proceeds from disposal of non-current assets		346,860	467,532
Deposits for business acquisition		(1,456,650)	-
Others		26,357	-
Net cash (outflow)/inflow from investing activities		**(4,178,772)**	**100,308**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from capital raising		64,051,739	200,000
Capital raising cost		(4,981,665)	(2,718)
Loans to/(from) related parties		98,294	(299,592)
Repayment of borrowings		(159,238)	(107,437)
Net cash inflow/(outflow) from financing activities		**59,009,130**	(209,747)
Net increase/(decrease) in cash held		**50,870,740**	**(28,002)**
Cash at the beginning of the financial period		578,063	608,783
Effect of exchange rate changes		(40,094)	(2,718)
NET CASH AT THE END OF THE YEAR	7	**51,408,709**	**578,063**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Note 1: Summary of Significant Accounting Policies

IOUpay Limited (formerly iSentric Limited) is a company incorporated and domiciled in Australia and is a listed public company whose shares are publicly traded on the Australian Securities Exchange ("ASX").

IOUpay Limited is the legal parent of iSentric Sdn Bhd. The consolidated financial statements are issued under the name of IOUpay Limited but are deemed to be a continuation of the legal subsidiary iSentric Sdn Bhd (refer Note 1(a)). The consolidated financial statements are for the Consolidated Entity consisting of IOUpay Limited and its subsidiaries and iSentric Sdn Bhd and its subsidiaries, combined, as defined in Note 20.

Basis of Preparation

The consolidated financial report is a general-purpose financial report prepared in accordance with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial report complies with International Financial Reporting Standards and the interpretations adopted by the International Accounting Standards Board.

The financial report covers IOUpay Limited and its controlled entities as a consolidated entity ("Group"). IOUpay Limited is a company limited by shares, incorporated and domiciled in Australia.

The financial report was approved by the Directors on 30 September 2021.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant Accounting Policies

(a) Principles of Consolidation

In 2014 IOUpay Limited acquired all of the issued shares of iSentric Sdn Bhd, resulting in iSentric Sdn Bhd becoming a wholly owned subsidiary of IOUpay Limited. The acquisition resulted in the original shareholders of iSentric Sdn Bhd holding a majority share in IOUpay Limited. Pursuant to Australian Accounting Standards this transaction represented a reverse acquisition with the result that iSentric Sdn Bhd was identified as the acquirer, for accounting purposes, of IOUpay Limited (the "acquiree" and "legal parent").

The consolidated financial report includes the financial statements of IOUpay Limited ("Legal Parent Entity") and its consolidated entities. IOUpay Limited and its consolidated entities are together referred to in the financial report as the "Consolidated Entity" or "The Group".

A controlled entity is any entity the Legal Parent Entity has the power to control the financial and operating policies so as to obtain benefits from its activities. A list of controlled entities is contained in Note 9 to the financial statements. All controlled entities have a June financial year-end.

The effects of all transactions between entities in the Group have been eliminated in full and the consolidated financial report has been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;
(ii) any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of any identifiable assets acquired and liabilities assumed.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (ie reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139: *Financial Instruments: Recognition and Measurement*, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than 100% interest will depend on the method adopted in measuring the non-controlling interest. The Group can elect in most circumstances to measure the non-controlling interest in the acquiree either at fair value (*full goodwill method*) or at the non-controlling interest's proportionate share of the subsidiary's identifiable net assets (*proportionate interest method*). In such circumstances, the Group determines which method to adopt for each acquisition and this is stated in the respective note to the financial statements disclosing the business combination.

Under the full goodwill method, the fair value of the non-controlling interest is determined using valuation techniques which make the maximum use of market information where available.

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of associates is included in investments in associates.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored and not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed of.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

(b) Financial Instruments

Initial Recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to purchase or sale of asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

(i) Financial assets at fair value through profit or loss

Financial assets are classified at "fair value through profit or loss" when they are contingent consideration that may be paid by an acquirer as part of a business combination to which AASB 3: *Business Combinations* applies, held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned from the financial asset and is included in the face of the statement of profit and loss and other comprehensive income.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

(iv) Available-for-sale investments
Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any remeasurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are not expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

(v) Financial liabilities
Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Contingent consideration of an acquirer in a business combination to which AASB 3: *Business Combinations* applies is classified as a financial liability and measured at fair value through profit or loss.

Fair value estimations

The fair values of financial assets and financial liabilities must be estimated for recognition and disclosure purposes. The nominal value less estimated credit adjustment of trade receivables and payables are assumed to approximate their fair values. The fair values of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rates that is available for similar financial instruments.

Impairment

A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

(c) Property and Equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated Entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation is calculated using the straight line method to allocate cost of assets, net of their residual values, over their estimated useful lives, as follows:

Class	*Rate*
Office & Computer equipment	5-33%
Renovation	20%
Motor vehicles	12.5-25%
Building	5%
Freehold land	-

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

(d) Intangibles

Intellectual Property

Intellectual property is recognised at cost of acquisition and is amortised over the period in which its benefits are expected to be realised. The balances are reviewed annually for impairment and any balance representing future benefits for which the realisation is considered to be no longer probable are recognised in the statement of profit or loss and other comprehensive income as impairment losses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. In relation to the amortisation of intangibles with finite useful lives, management judgements are used to determine the estimated useful lives. The estimated useful lives are as follows:

	Number of years
Mobile content and services	5
Software platform	10

Goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires estimation of the recoverable amount of the cash generating units to which goodwill have been allocated. The assumption used in this estimation of recoverable amount and the amount of goodwill are discussed in Note 11.

Development Expenditure

Research expenditure is recognised as an expense when it is incurred.

Development expenditure is recognised as an expense except that costs incurred on development projects are capitalised as non-current assets to the extent that such expenditure is expected to generate future economic benefits. Development expenditure is capitalised if, and only if an entity can demonstrate all of the following:-

(a) its ability to measure reliably the expenditure attributable to the asset under development;
(b) the product or process is technically and commercially feasible;
(c) its future economic benefits are probable;
(d) its intention to complete and the ability to use or sell the developed asset; and
(e) the availability of adequate technical, financial and other resources to complete the asset under development.

Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses, if any. Development expenditure initially recognised as an expense is not recognised as assets in the subsequent period.

The development expenditure is amortised on a straight-line method over a period of 3 years when the products are ready for sale or use. In the event that the expected future economic benefits are no longer probable of being recovered, the development expenditure is written down to its recoverable amount.

Impairment of Non-Financial Assets

The carrying values of assets, other than those to which AASB136 - Impairment of Assets does not apply, are reviewed at the end of each reporting period for impairment when there is an indication that the assets might be impaired. Impairment is measured by comparing the carrying values of the assets with their recoverable amounts. The recoverable amount of the assets is the higher of the assets' fair value less costs to sell and their value-in-use, which is measured by reference to discounted future cash flow.

An impairment loss is recognised in profit or loss immediately unless the asset is carried at its revalued amount. Any impairment loss of a revalued asset is treated as a revaluation decrease to the extent of a previously recognised revaluation surplus for the same asset.

In respect of assets other than goodwill, and when there is a change in the estimates used to determine the recoverable amount, a subsequent increase in the recoverable amount of an asset is treated as a reversal of the previous impairment loss and is recognised to the extent of the carrying amount of the asset that would have been determined (net of amortisation and depreciation) had no impairment loss been recognised. The reversal is recognised in profit or loss immediately.

(e) Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss or arising from the business combination.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

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

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

(f) Cash & Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of three months or less.

(g) Revenue and other income

(i) Sale of Goods
Revenue is recognised upon delivery of goods and customers' acceptance and where applicable, net of sales tax, returns and trade discounts.

(ii) Services
Revenue is recognised upon the rendering of services and when the outcome of the transaction can be estimated reliably. In the event the outcome of the transaction could not be estimated reliably, revenue is recognised to the extent of the expenses incurred that are recoverable.

(iii) Revenue from Support Maintenance Services
Revenue from support maintenance services is recognised on the provision of software licensing maintenance and product enhancement services.

(iv) Licensing Software
Revenue is recognised when the right to use the software is granted to the buyers.

(v) Interest Income
Interest income is recognised on an accrual basis, based on the effective yield on the investment.

(h) Goods and Services Tax (GST) or Value Added Tax (VAT)

Revenues, expenses and assets (other than receivables) are recognised net of the amount of GST in Malaysia and Singapore or net of the amount of VAT in Indonesia, except where the amount of GST or VAT incurred is not recoverable from the Tax Offices of the respective jurisdictions. In these circumstances the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST or VAT included. The net amount of GST or VAT recoverable from, or payable to, the Tax Offices of the respective jurisdictions is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST or VAT components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the Tax Offices of the respective jurisdictions are presented as operating cash flows included in receipts from customers or payments to suppliers.

(i) Functional and Foreign Currencies

(i) Functional and Presentation Currency
The individual financial statements of each entity in the Group are presented in the currency of the primary economic environment in which the entity operates, which is the functional currency. The consolidated financial statements are presented in Australian dollars, which is the Company's functional and presentation currency.

(ii) Transactions and Balances
Transactions in foreign currencies are converted into the respective functional currencies on initial recognition, using the exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities at the end of the reporting period are translated at the rates ruling as of that date. Non-monetary assets and liabilities are translated using exchange rates that existed when the values were determined. All exchange differences are recognised in profit or loss.

(iii) Foreign Operations
Assets and liabilities of foreign operations are translated to Australian dollars at the rates of exchange ruling at the end of the reporting period. Income, expenses and other comprehensive income of foreign operations are translated at exchange rates ruling at the dates of the transactions. All exchange differences arising from translation are taken directly to other comprehensive income and accumulated in equity; attributed to the owners of the Company and non-controlling interests, as appropriate.

Goodwill and fair value adjustments arising from the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the end of the reporting period.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign subsidiary, or a partial disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that foreign operation attributable to the owners of the Company are reclassified to profit or loss as part of the gain or loss on disposal. The portion that related to non-controlling interests is derecognised but is not reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are reattributed to non-controlling interests and are not recognised in profit or loss. When the Group disposes of only part of its investment in an associate that includes a foreign operation while retaining significant influence, the proportionate share of the accumulative exchange differences is reclassified to profit or loss.

In the consolidated financial statements, when settlement of an intragroup loan is neither planned nor likely to occur in the foreseeable future, the exchange differences arising from translating such monetary item are considered to form part of a net investment in the foreign operation and are recognised in other comprehensive income.

(j) Employee Benefits

The following liabilities arising in respect of employee entitlements are measured at their nominal amounts. Wages and salaries and annual leave regardless of whether they are expected to be settled within twelve months of balance date and other employee benefits which are expected to be settled within twelve months of balance date.

All other employee entitlements, including long service leave, are measured at the present value of estimated future cash outflows in respect of services provided up to balance date. Liabilities are determined after taking into consideration estimated future increases in wages and salaries and past experience regarding staff departures. Related on costs are included.

(k) Leases and Right-of-Use Assets

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of the Group if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

(l) Inventories

Inventories are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises direct materials and delivery costs, direct labour, import duties and other taxes, an appropriate proportion of variable and fixed overhead expenditure based on normal operating capacity, and, where applicable, transfers from cash flow hedging reserves in equity. Costs of purchased inventory are determined after deducting rebates and discounts received or receivable.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(m) Share-Based Payments

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

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

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

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

The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

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

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

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.
If equity-settled awards are modified, as a minimum, an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

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

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

(n) Going Concern

The financial report has been prepared on a going concern basis. This presumes that funds will be available to finance future operations and the realisation of assets and settlement of liabilities will occur in the normal course of business.

For the year ended 30 June 2021 the Group generated a loss after tax of $4,793,588 (2020: loss $2,610,228), as at the balance date the Group had net assets of $57,036,104 (2020: net assets $2,465,177), and net cash outflows from operating activities of $3,959,618 (2020: inflow $81,437).

The Directors believe that the going concern basis of accounting is appropriate due to the expected cash flows to be generated by the Group over the next twelve months. The Directors will closely monitor cash flows as the Group grows and if revenues do not increase as expected, the Directors will look to contain costs. The Directors believe that these actions, if required, will be sufficient to ensure that the company will be able to pay its debts as and when they fall due for the next twelve months.

Notwithstanding the above, the directors acknowledge that there are a number of risk factors that could materially affect the Group's future profitability and cash flows, which include, but are not limited to:

(i) Competition
There can be no assurance given in respect of the Group's ability to continue to compete profitably in the competitive markets in which the Group operates. The potential exists for change in the competitive environment in which the Group operates.

(ii) Reliance on key management
The responsibility of overseeing the day-to-day operations and strategic management of the Group is substantially dependent upon its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Group if one, or a number of, these employees cease their employment.

(o) New and amended accounting policies adopted by the Group and New Accounting Standards for application in future periods

As at 30 June 2021, the group has adopted all new and revised mandatory accounting standards applicable. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(p) Key Estimates and Judgements

Estimates and judgements are continually evaluated by the directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and judgements that affect the application of the Group's accounting policies and disclosures, and have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses are discussed below:-

(i) Depreciation of Property and Equipment

The estimates for the residual values, useful lives and related depreciation charges for the property and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions. The Group anticipates that the residual values of its property and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income Taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

(iii) Impairment of Non-financial Assets

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash-generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

(iv) Amortisation of Development Costs

Changes in the expected level of usage and technological development could impact the economic useful lives and therefore, future amortisation charges could be revised.

(v) Impairment of Trade and Other Receivables

An impairment loss is recognised when there is objective evidence that a financial asset is impaired. Management specifically reviews its loan and receivables financial assets and analyses historical bad debts, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment terms when making a judgement to evaluate the adequacy of the allowance for impairment loss. Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. If the expectation is different from the estimation, such difference will impact the carrying value of receivables.

(vi) Fair Value Estimates for Certain Financial Assets and Liabilities

The Group carries certain financial assets and liabilities at fair value, which requires extensive use of accounting estimates and judgement. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair value would differ if the Group uses different valuation methodologies. Any changes in fair value of these assets and liabilities would affect profit and equity.

(vii) Impairment of Goodwill

Goodwill is tested for impairment annually and at other times when such indicators exists. This requires management to estimate the expected future cash flows of the cash-generating unit to which goodwill is allocated and to apply a suitable discount rate in order to determine the present value of those cash flows. The future cash flows are most sensitive to budgeted gross margins, growth rates estimated and discount rate used. If the expectation is different from the estimation, such difference will impact the carrying value of goodwill.

Note 2: Other Income	**Consolidated Group**	
	2021	**2020**
	$	**$**
Interest received	278,818	567
Gain on foreign exchange translation	244,517	34,939
Rental income	-	31,113
Other miscellaneous income	8,404	57,387
	531,739	124,006

Note 3: Income Tax Expense

Prima facie tax expense on loss before tax calculated at 26% (2020: 27.5%)	(1,245,258)	(666,680)
Tax effects of:		
Difference in overseas tax rates	126,114	198,468
Non-taxable income	(69,935)	(113,460)
Non-deductible expenses	719,345	187,356
Changes in unrecognised temporary difference	(362,657)	-
Deferred tax asset not recognised during the financial year	756,539	394,229
Movement of deferred tax liability	-	-
Movement of deferred tax asset	75,852	77,542
Under/(over) provision of current tax in the previous financial year	4,136	32,676
Withholding tax credit written off	-	75,804
Income tax expense	4,136	185,935

Where applicable, grants and tax concessions are accrued in the year in which they are receivable.

Potential deferred tax asset attributable to unused tax losses, amounting to $1,937,388 (2020: $1,280,960) have not been brought to account because Directors do not believe it is appropriate to regard realisation of the deferred tax as probable. These benefits will only be obtained if:

(a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction of the loss to be realised;
(b) the Company continues to comply with the conditions for deductibility imposed by law; and
(c) no changes in tax legislation adversely affect the Company in realising the benefit from the deduction for the loss.

Dividend imputation

The balance of the franking account of the Company at the end of the year was nil. No dividends were paid during the year.

Note 4: Auditor's Remuneration

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

	Consolidated Group 2021 $	Consolidated Group 2020 $
(a) Audit Services		
Auditing or reviewing the financial reports:		
- Group auditor	56,664	56,665
- Other auditors	35,676	36,679
(b) Non Audit Services		
- Group auditor		
- Tax compliance services	1,100	1,100

Note 5: Dividends

No dividends were paid or proposed during the financial year.

Note 6: Earnings per Share

	Consolidated Group 2021 $	Consolidated Group 2020 $
Overall Operations		
Loss per share (cents per share)		
- Basic	(1.14)	(1.37)
- Diluted	(1.14)	(1.37)
Loss used in the calculation of basic EPS ($)	(4,793,588)	(2,610,228)
Weighted average number of shares outstanding during the year used in calculations of basic earnings per share	419,213,972	190,157,773
Dilutive effect of options outstanding	-	-
Weighted average number of shares outstanding during the year used in calculations of diluted earnings per share	419,213,972	190,157,773

Information on options outstanding at the balance sheet date can be found in Note 13.

Note 7: Cash and Cash Equivalents

	Consolidated Group	
	2021	2020
	$	$
Cash at bank	51,406,586	558,079
Cash in hand	2,123	9,541
Fixed deposits	-	10,443
	51,408,709	578,063

Reconciliation of cash		
Cash and cash equivalents at the end of the financial year as shown in the Statement of Cash Flows	51,408,709	578,063

Note 8: Trade and Other Receivables

Trade receivables	1,473,488	1,197,917
Other receivables	2,701,664	416,853
Contract assets	151,145	-
Prepayments	180,732	75,717
Deposits	434,669	39,953
Tax refundable	11,297	17,447
	4,952,995	1,747,887

Note 9: Interest in Subsidiaries

Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of Subsidiary	Country of Incorporation	Ownership Interest Held by the Group	
		2021	2020
iSentric Sdn Bhd	Malaysia	100%	100%
IOU Pay (Asia) Sdn. Bhd.	Malaysia	100%	100%
Datamorph Services Sdn. Bhd.	Malaysia	100%	100%
PT Isentric Technology Indonesia	Indonesia	100%	100%
Arte Mobile Technology Pte. Ltd.	Singapore	100%	100%
iSentric Australia Pty. Ltd	Australia	100%	100%
My Play Company Limited	Myanmar	100%	100%

Significant Restrictions

There are no significant restrictions over the Group's ability to access or use assets, and settle liabilities, of the Group.

Note 10: Property and Equipment

	Consolidated Group	
	2021	**2020**
	$	**$**
Cost		
Opening Balance	744,537	1,352,946
Additions	1,582,287	69,785
Written off	(401,624)	(10,355)
Disposals	-	(655,642)
Effect of movement in exchange rate	(86,960)	(12,197)
Closing Balance	1,838,240	744,537
Accumulated depreciation		
Opening Balance	609,084	580,082
Depreciation for the year	172,116	97,230
Written off	(401,622)	(294)
Disposals	-	(13,324)
Effect of movement in exchange rate	(46,267)	(54,610)
Closing Balance	333,311	609,084
Total plant and equipment	1,504,929	135,453

Note 11: Intangible Assets

2021 Consolidated Group	**Product Development Expenditure**	**Intellectual Properties**	**Goodwill**	**Software**	**Total**
	$	**$**	**$**	**$**	**$**
At 30 June 2021					
Cost	614,656	3,432,660	16,479,809	56,794	20,583,919
Accumulated amortisation and impairment	(601,730)	(3,432,660)	(14,916,020)	(6,310)	(18,956,720)
Net book amount	12,926	-	1,563,789	50,484	1,627,199
Movement					
Opening balance 1 July 2020	26,939	547,801	1,563,789	-	2,138,529
Additions	-	-	-	56,794	56,794
Amortisation charge	(9,201)	(392,366)	-	(6,395)	(407,962)
Impairment/Write off	-	(129,443)	-	-	(129,443)
Effect of movement in exchange rate	(4,812)	(25,992)	-	85	(30,719)
Closing balance 30 June 2021	12,926	-	1,563,789	50,484	1,627,199

2020 Consolidated Group					
At 30 June 2020					
Cost	660,447	3,625,791	16,479,809	-	20,766,047
Accumulated amortisation and impairment	(633,508)	(3,077,990)	(14,916,020)	-	(18,627,518)
Net book amount	26,939	547,801	1,563,789	-	2,138,529
Movement					
Opening balance 1 July 2019	44,193	1,522,247	1,563,789	-	3,130,229
Additions	19,856	276,421	-	-	296,277
Amortisation charge	(11,403)	(550,763)	-	-	(562,166)
Impairment/Write off	(30,251)	(708,902)	-	-	(739,153)
Effect of movement in exchange rate	4,544	8,798	-	-	13,342
Closing balance 30 June 2020	26,939	547,801	1,563,789	-	2,138,529

Goodwill impairment tests

Description of the cash generating units and other information

Goodwill acquired through business combinations has been allocated to three cash generating units (CGUs) for impairment testing.

The aggregate carrying amounts of goodwill allocated to CGUs are as follows:

	Consolidated Group	
	2021	**2020**
	$	**$**
Arte Mobile Technology	1,563,789	1,563,789
	1,563,789	1,563,789

The annual impairment test undertaken at 30 June 2021 involved determining the recoverable amount of each CGU based on their fair value less cost to sell and comparing it to the CGU's carrying amount. Fair value reflects the best estimate of the amount that an independent third party would pay to purchase the CGUs, less related selling costs. Carrying value reflects goodwill and the other identifiable assets and liabilities that can be allocated to each CGU and that generate the CGU's cash flows.

The directors used management's internal assessment as the basis for determining the fair value less costs to sell. Fair value has been calculated using discounted future cash flows. The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation technique used. Discounted cash flows include a terminal value calculated in accordance with the Gordon Growth model using a long term nominal inflation rate of 5%.

The valuation is based on cash flow projections over a five year period using assumptions that represent management's best estimate of the range of business and economic conditions at this time. The valuations have been reviewed and approved by the Board of IOUpay.

Discount rates are calculated using a weighted average cost of capital method which is based on market data, reflects the time value of money and includes a risk premium to account for current economic conditions.

The pre-tax discount rates applied to the undiscounted cash flows were 20.5%-22.5% for Arte Mobile Technology. Management considers that, as all CGUs operate in the Digital Media Industry in Malaysia and Indonesia and provide equivalent products and services in the same markets, the risk specific to each unit are comparable and therefore a discount rate of 20.5%-22.5% is applicable to Arte Mobile Technology. While the pre-tax discount rates applied to the undiscounted cash flows for My Play were 30.0%-35.0%.

Based on the results of the tests undertaken, no impairment was recognised in relation to goodwill of all CGUs in the 2021 financial year (2020: Nil).

Note 12: Trade and Other Payables

	Consolidated Group	
	2021	2020
Current	$	$
Trade payables	897,197	1,305,662
Contract liabilities	42,183	-
Other payables	563,218	672,847
Amount owing to a director	-	35,633
Accruals	121,442	70,292
Tax payable	39,067	50,321
	1,663,107	2,134,755

Note 13: Contributed Equity

	Consolidated Group	
	2021	2020
	$	$
551,412,065 (2020: 203,655,041) fully paid ordinary shares	80,611,576	21,164,032

(a) Ordinary shares - value

At the beginning of the reporting period	21,164,032	20,966,750
Add: Shares issued	66,421,716	200,000
Less: Cost related to shares issued	(6,974,172)	(2,718)
Balance at end of reporting period	80,611,576	21,164,032

(b) Ordinary shares - number

	No.	No.
At the beginning of the reporting period	203,655,041	183,655,041
Add: Shares issued	347,757,024	20,000,000
Balance at end of reporting period	551,412,065	203,655,041

Ordinary shares

Ordinary shares participate in dividends and the proceeds on winding up of the Consolidated Entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Options

During the financial year, the company issued 21,650,000 options (2020: Nil):

1. 20,000,000 unlisted options expiring 30 September 2021, exercisable at $0.04 each. All options were exercised by 30 June 2021;
2. 1,650,000 unlisted options expiring 1 May 2023. These options have a nil exercise price and will vest 2 years from the date of employee acceptance

The balance of options as at 30 June 2021 is 1,650,000 (2020: nil).

Note 14: Segment Reporting

Identification of reportable segments

IOUpay Limited has identified its operating segments based on the internal reports that are reviewed and used by the board of directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

Basis of accounting for purposes of reporting by operating segments

(a) Accounting policies adopted
Unless stated otherwise, all amounts reported to the Board of Directors as the chief decision makers with respect to operating segments are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

(b) Inter segment transactions
Segment revenues, expenses and results include inter-segment transfers between segments. The prices charged on inter-segment transactions are the same as those charged for similar goods to parties outside of the consolidated group at arm's length. These transfers are eliminated on consolidation.

(c) Segment assets
Assets include all assets used by a segment and consist principally of cash, receivables, intangibles and property, plant and equipment, net of allowances and accumulated depreciation and amortisation. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two or more segments is allocated to the segments on a reasonable basis.

(d) Segment liabilities
Liabilities consist principally of accounts payable, employee entitlements, accrued expenses and provisions.

	Malaysia $	Singapore $	Australia $	Indonesia $	Myanmar $	Consolidation Adjustment $	Consolidated Group $
2021							
REVENUE							
External sales	5,502,836	1,583,597	-	9,235	91,049	-	7,186,717
Interest revenue	286,663	74	9	447	29	-	287,222
Other income	23,795	10,616	209,346	-	760	-	244,517
Total revenue	5,813,294	1,594,287	209,355	9,682	91,838	-	7,718,456
Expenses	(8,419,125)	(2,391,077)	(1,488,106)	(173,541)	(155,365)	119,306	(12,507,908)
Profit / (loss) before income tax expense	(2,605,831)	(796,790)	(1,278,751)	(163,859)	(63,527)	119,306	(4,789,452)
Income tax expense	-	(4,136)	-	-	-	-	(4,136)
Profit / (loss) after income tax expense	**(2,605,831)**	**(800,926)**	**(1,278,751)**	**(163,859)**	**(63,527)**	**119,306**	**(4,793,588)**
ASSETS							
Total assets	54,525,866	4,228,779	71,470,951	130,245	104,606	(70,674,569)	59,785,878
LIABILITIES							
Total liabilities	56,500,202	17,542	1,883,924	1,221,490	185,855	(57,059,239)	2,749,774

Notes to the Financial Statements for the year ended 30 June 2021

	Malaysia	Singapore	Australia	Indonesia	Myanmar	Consolidation Adjustment	Consolidated Group
	$	$	$	$	$	$	$
2020							
REVENUE							
External sales	5,017,701	332,232	-	897,256	324,074	(180,976)	6,390,287
Interest revenue	283	71	-	132	81	-	567
Other income	23,406	52,042	38,391	12,920	5,920	(9,240)	123,439
Total revenue	5,041,390	384,345	38,391	910,308	330,075	(190,216)	6,514,293
Expenses	(5,641,411)	(1,737,966)	(284,820)	(970,614)	(395,940)	92,165	(8,938,586)
Profit / (loss) before income tax expense	**(600,021)**	**(1,353,621)**	**(246,429)**	**(60,306)**	**(65,865)**	**(98,051)**	**(2,424,293)**
Income tax expense	(59)	(167,102)	-	(18,774)	-	-	(185,935)
Profit / (loss) after income tax expense	**(600,080)**	**(1,520,723)**	**(246,429)**	**(79,080)**	**(65,865)**	**(98,051)**	**(2,610,228)**
ASSETS							
Total assets	2,636,912	5,326,066	15,304,473	489,933	180,165	(19,337,617)	4,599,932
LIABILITIES							
Total liabilities	2,058,479	43,569	3,953,949	1,522,713	213,848	(5,657,803)	2,134,755

Note 15: Financial Risk Management

The Group's financial instruments consist mainly of deposits with banks, trade and other receivables, trade and other payables, loans to and from related parties.

The totals for each category of financial instruments, measured in accordance with AASB 139: *Financial Instruments: Recognition and Measurement* as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated Group	
	2021	2020
	$	$
Financial Assets		
Cash and cash equivalents	51,408,709	578,063
Trade receivables	1,473,488	1,197,917
Other receivables	2,893,693	186,102
Amount owing by a related party	-	323,915
Deposits	434,669	39,953
Total	56,210,559	2,325,950
Financial Liabilities		
Trade payables	897,197	1,305,662
Other payables	602,285	723,168
Contract liabilities	42,183	-
Amount owing to a director	-	35,633
Accruals	121,442	70,292
Total	1,663,107	2,134,755

(a) General objectives, policies and processes

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the Group where such impacts may be material. The board receives monthly financial reports through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility.

(b) Credit risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when the debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group.

The Group manages its exposure to credit risk by the application of credit approvals, credit limits and monitoring procedures on an ongoing basis.

The group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables as appropriate. The main components of this allowance are specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. Impairment is estimated by management based on prior year experience and the current economic environment.

(i) Credit risk concentration profile

As at the end of the financial year, the Group has significant concentration of credit risk related to the amount owing by 6 customers (2020 – 5 customers) which constituted approximately 76% (2020 – 64%) of total trade receivables.

(ii) Exposure to credit risk

At the end of the financial year, the maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position of the Group after deducting any allowance for impairment (where applicable).

(iii) Ageing analysis

The ageing of trade receivables at the reporting date is as follows:

	2021	**2020**
	$	**$**
Not past due	935,427	726,899
Past due 0 – 30 days	24,640	176,628
Past due 31 – 60 days	132,069	28,029
Past due 61 – 90 days	5,928	29,949
Over 90 days	375,424	236,412
Total	**1,473,488**	**1,197,917**

At the end of the financial year, trade receivables that are individually impaired were those with significant financial difficulties and have defaulted on payments. The receivables are not secured by any collateral or credit enhancement.

The Group believes that no additional impairment allowance is necessary in respect of trade receivables that are past due but not impaired because they are companies with good collection track record and no recent history of default.

(c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments, e.g. borrowing repayments. The Board of Directors manage liquidity risk by continually monitoring forecast cash flows and generating when required additional capital funding as necessary. It is noted that the Group does not have any borrowing facilities.

The following maturity analysis is done on a contractual undiscounted cash flow basis:

Maturity Analysis - Consolidated Group

Financial liabilities	**Carrying Amount**	**Contractual Cash flows**	**Within 1 year**
	$	**$**	**$**
2021			
Trade payables	897,197	897,197	897,197
Other payables	602,285	602,285	602,285
Contract liabilities	42,183	-	-
Accruals	121,442	121,442	121,442
2020			
Trade payables	1,305,662	1,305,662	1,305,662
Other payables	723,168	723,168	723,168
Amount payable to a director	35,633	35,633	35,633
Amount owing to a related party	-	-	-
Accruals	70,292	70,292	70,292

The fair value of the current trade and other payables approximates their carrying values.

(d) Market rate risk

Market rate risk arises from the use of interest bearing and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or foreign exchange rates (currency risk). The Company and Group are not subject to other price risk on its financial instruments.

(i) Interest rate risk

The Group does not have any interest-bearing borrowings and hence is not exposed to interest rate risk. Any surplus funds of the Group will be placed with licensed financial institutions to generate income.

(ii) Currency risk

The Group is exposed to foreign currency risk on transactions and balances that are denominated in foreign currencies for the financial year ended 30 June 2021. The currencies giving rise to this risk are primarily United States Dollar ("USD"), Australian Dollar ("AUD"), Euro ("EUR"), Malaysian Ringgit ("MYR"), Indonesian Rupiah ("IDR") and Singapore Dollar ("SGD"). Foreign currency risk is monitored closely on an on-going basis to ensure that the net exposure is at an acceptable level.

Foreign currency exposure:

2021	**USD AUD**	**EUR AUD**	**AUD AUD**	**SGD AUD**	**IDR AUD**	**MYR AUD**	**MMK AUD**	**Total AUD**
Financial asset								
Trade and other receivables	-	-	142,765	523,204	-	4,106,504	29,377	4,801,850
Cash and cash equivalents	23,517	458	46,286,384	321,879	54,811	4,719,972	1,688	51,408,709
Financial liability								
Trade and other payables	-	-	(34,377)	(17,542)	-	(1,470,967)	(140,221)	(1,663,107)
Net currency exposure	**23,517**	**458**	**46,394,772**	**827,541**	**54,811**	**7,355,509**	**(109,156)**	**54,547,452**

2020	**USD AUD**	**EUR AUD**	**AUD AUD**	**SGD AUD**	**IDR AUD**	**MYR AUD**	**MMK AUD**	**Total AUD**
Financial asset								
Trade and other receivables	-	-	43,595	498,736	-	1,180,198	25,358	1,747,887
Cash and cash equivalents	13,684	487	115,678	73,284	28,131	337,834	8,965	578,063
Financial liability								
Trade and other payables	-	-	(81,242)	(43,569)	-	(1,796,096)	(213,848)	(2,134,755)
Net currency exposure	**13,684**	**487**	**78,031**	**528,451**	**28,131**	**(278,064)**	**(179,525)**	**191,195**

Foreign currency sensitivity analysis:

The following table details the sensitivity analysis to a reasonable possible change in the foreign currencies at the end of the financial year, with all other variables held constant:

	2021 Increase/(Decrease) AUD	**2020 Increase/(Decrease) AUD**
USD:		
- strengthen by 10%	2,352	1,368
- weakened by 10%	(2,352)	(1,368)
EUR:		
- strengthen by 10%	46	49
- weakened by 10%	(46)	(49)
AUD:		
- strengthen by 10%	4,639,477	7,803
- weakened by 10%	(4,639,477)	(7,803)
SGD:		
- strengthen by 10%	82,754	52,845
- weakened by 10%	(82,754)	(52,845)
IDR:		
- strengthen by 10%	5,481	2,813
- weakened by 10%	(5,481)	(2,813)

MYR:		
- strengthen by 10%	735,551	(27,806)
- weakened by 10%	(735,551)	27,806
MMK:		
- strengthen by 10%	(10,916)	(17,952)
- weakened by 10%	10,916	17,952

(e) Fair values of financial assets and liabilities

At the end of the reporting period, there were no financial instruments carried at fair values in the statements of financial position except as disclosed in Note 16.

The fair values of the financial assets and liabilities of the Group which are maturing within the next 12 months approximated their carrying amounts due to the relatively short-term maturity of the financial instruments or repayable on demand terms.

(f) Capital Management

The Board endeavours to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

Note 16: Fair value measurements

The Group measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- obligation for contingent consideration arising from a business combination

The Group does not subsequently measure any liabilities at fair value on a non-recurring basis.

Fair Value Hierarchy

For financial reporting purposes, the fair value measurements are analysed into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Group are consistent with one or more of the following valuation approaches:

- *Market approach* uses prices and other relevant information generated by market transactions for identical or similar assets or liabilities;
- *Income approach* converts estimated future cash flows or income and expenses into a single discounted present value;
- *Cost approach* reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Group gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Note 17: Notes to the Statements of Cash Flows

(a) Reconciliation of Cash Flow from Operations with profit/(loss) after income tax

	Consolidated Group	
	2021	2020
	$	$
Loss after income tax	(4,793,588)	(2,610,228)
Non-cash flows in loss for the year:		
Depreciation and amortisation	580,078	659,396
Impairment loss	490,385	-
Bad debts written off	-	18,540
Loss on sale of fixed assets	-	255,231
Product development expenditure written off	-	739,153
Reversal of deferred tax (asset)/liability	-	(75,852)
Finance lease costs	11,906	-
Share-based payments expense	67,710	-
Amounts allocated to investing cash flows	3,421,584	-
Unrealised (gain)/loss on foreign exchange	(74,358)	86,364
Sub total	(296,283)	(927,396)
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(2,961,537)	261,750
(Decrease)/increase in trade and other payables	(260,016)	749,801
Increase in inventories	(292,046)	-
Increase in lease liabilities	1,003	-
Effect of exchange rate changes	(150,739)	(2,718)
Net cash (outflow)/inflow from operating activities	(3,959,618)	81,437

(b) Non-cash Financing and Investing Activities

Securities issued on acquisition

There were no equity-settled capital acquisitions in the financial year (2020: Nil)

Note 18: Key Management Personnel

(i) Details of Key Management Personnel

Name	Title
Lee Chin Wee	Executive Director
Paul Russell	Executive Director (Appointed 12 May 2021)
Kwong Yang Chong	Non-Executive Director
Datuk Khairul Idham Bin Ismail	Non-Executive Director (Appointed 26 November 2020)
Byung Moo Shin	Non-Executive Director (Appointed 11 January 2021)
Raymond Hor	Non-Executive Director (Resigned 26 November 2020)
Bai GuoJin	Non-Executive Director (Resigned 28 September 2020)
Andrew Bristow	Non-Executive Director (Appointed 8 July 2020, ceased 11 January 2021)
Tim Monger	Non-Executive Chairman (Resigned 8 July 2020)
Tham Jee Yeung	Group Chief Executive Officer – Terminated 31 July 2020

(ii) Compensation of Key Management Personnel

These remuneration disclosures are provided in the Directors' Report under Remuneration Report and designated as audited.

	Consolidated Group	
	2021	**2020**
	$	**$**
Short term employee benefit	423,161	356,401

(iii) Shareholdings of Key Management Personnel

Shares held directly and indirectly in the Company:

2021	**Balance at the start of the year $**	**Granted as remuneration $**	**Other changes during the year $**	**Balance at the end of the period $**
Direct Interest				
Kwong Yang Chong	-	-	38,000	38,000
Lee Chin Wee	4,692,843	-	-	4,692,843
Datuk Khairul Idham Bin Ismail	-*	-	-	-
Byung Moo Shin	-*	-	-	-
Paul Russell	-*	-	-	-
Andrew Bristow	-	-	-	-*
Raymond Hor	833,334	-	-	833,334**
Bai GuoJin	10,000,000	-	-	10,000,000**
Tim Monger	1,000,000	-	-	1,000,000**
2020				
Direct Interest				
Kwong Yang Chong	-	-	-	-
Lee Chin Wee	4,692,843	-	-	4,692,843
Raymond Hor	833,334	-	-	833,334
Tim Monger	1,000,000	-	-	1,000,000
Tham Jee Yeung	2,066,667	-	-	2,066,667**
Bai GuoJin	10,000,000*	-	-	10,000,000

**As at date of appointment*

*** As at date of resignation*

All equity transactions with key management personnel, which relate to the Company's listed ordinary shares, have been entered into on an arm's length basis.

(iv) Option holdings of Key Management Personnel

During the financial year, Mr Kenneth Kuan received 900,000 options under the Company's Employee Option Plan. No options were exercised by Key Management Personnel during the financial year.

Note 19: Lease liabilities

The Group leases a number of properties in the jurisdictions from which it operates. In some jurisdictions it is customary for lease contracts to provide for payments to increase each year by inflation or and in others to be reset periodically to market rental rates. In some jurisdictions property leases the periodic rent is fixed over the lease term.

The percentages in the table below reflect the current proportions of lease payments that are either fixed or variable. The sensitivity reflects the impact on the carrying amount of lease liabilities and right-of-use assets if there was an uplift of 5% on the balance sheet date to lease payments that are variable.

	Lease Contracts Number	Fixed Payments %	Variable Payments %	Sensitivity $
Property leases with payments linked to inflation	-	-	-	-
Property leases with periodic uplifts to market rentals	-	-	-	-
Property leases with fixed payments	1	100	-	52,336

	Consolidated Group 2021 $	2020 $
Lease liabilities		
Land and buildings		
Balance at beginning of the year	-	-
Additions	1,108,273	-
Interest expense	13,073	-
Lease payments	(74,623)	-
Balance at the end of the year	**1,046,723**	**-**

Note 20: IOUPay Limited Parent Company Information

iSentric Sdn. Bhd. was acquired by IOUpay Limited on 8 September 2014. As required by Australian Accounting Standard AASB3: Business Combinations. IOUpay Limited is deemed to have been acquired by iSentric Sdn. Bhd. as at 8 September 2014 under reverse acquisition rules. Accordingly, iSentric Sdn. Bhd. is the Parent Entity for accounting purposes. IOUpay Limited is the legal parent.

The following information has been extracted from the books and records of the legal parent, IOUpay Limited and has been prepared in accordance with Australian Accounting Standards. Accordingly the information presented below does not relate to "the Parent Entity" as defined on page 22.

	Parent Entity	
	2021	**2020**
	$	**$**
STATEMENT OF FINANCIAL POSITION		
ASSETS		
Current Assets	56,325,751	159,273
Non-current assets	15,145,100	15,145,100
TOTAL ASSETS	71,470,851	15,304,373
LIABILITIES		
Current liabilities	1,883,924	3,953,949
Non-current liabilities	-	-
TOTAL LIABILITIES	1,883,924	3,953,949
EQUITY		
Contributed equity	131,815,716	72,368,172
Reserves	67,710	-
Accumulated losses	(62,296,499)	(61,017,748)
TOTAL EQUITY	69,586,927	11,350,424
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME		
Net loss for the year	1,278,751	246,429
Other comprehensive income	-	-
TOTAL COMPREHENSIVE INCOME	1,278,751	246,429

Parent Entity Contingencies
The directors are of the opinion that no provisions are required in respect of the Company's contingencies.

Guarantees
The Company has not entered into any guarantees, in the current or previous financial year in relation to the debts of its subsidiaries.

Contractual Commitments
At 30 June 2021, the Company has not entered into any contractual commitments for the acquisition of property, plant and equipment (2020: Nil).

Note 21: Related Party Transactions

	Consolidated Group 2021 $	2020 $
Sales received/receivable from related parties	21,863	33,451
Cost of sales paid/payable to a related party	6,929	631,270
Consultation fee charged by a related party	-	94,571
Rental income received/receivable from related parties	3,993	12,751
Purchase of intangible asset	-	276,421

The related parties are entities that have common directors.

Note 22: Reserves

a) **Options reserve**

The options reserve records the value of options on issue at balance date.

	Consolidated Group 2021 $	2020 $
Value of options on issue and partially vested	67,710	-
Vesting expense recognised during the financial year	67,710	-

b) Foreign Currency Translation Reserves

The foreign currency translation reserve records exchange differences arising on translation of a foreign controlled subsidiary.

	Consolidated Group 2021 $	2020 $
Exchange differences on translation of foreign operations	371,304	522,043
Movement in foreign currency translation reserve	(150,739)	(8,705)

Note 23: Share-Based Payments

During the financial year, the following transactions were equity settled by the Group:

	Value of Securities $
20,000,000 unlisted options issued to advisors for capital raising services	3,029,082
1,650,000 unlisted options issued employees	67,710
	3,096,792

During the financial year, the Group issued share options as follows:

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted	Exercised	Expired/ forfeited	Balance at end of the year
30/09/2020	30/09/2021	$0.04	-	20,000,000	(20,000,000)	-	-
06/04/2021	01/05/2023	$0.00	-	1,650,000	-	-	1,650,000
				21,650,000	**(20,000,000)**	**-**	**1,650,000**
Weighted average exercise price				$0.0370	$0.04	-	$-

The weighted average share price during the financial year was $0.2973

All options were exercisable with a remaining contractual life of 1.84 years at year end.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Exercise price	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
30/09/2020	30/09/2021	$0.04	$0.175	197%	-	0.21%	$0.1515
06/04/2021	01/05/2023	$0.00	$0.41	70%	-	0.07%	$0.4050

Note 24: Subsequent Events

Subsequent to 30 June 2021, the Company acquired 42% of I-Destinasi Specialised Malaysian Finance Company:

- IOUpay to acquire 42% of I-Destinasi Sdn Bhd ("IDSB"), one of Malaysia's leading providers of long term instalment based consumer credit services;
- Investment of RM126 million (~A$41.3 million[1]) to be paid in two tranches over a six month period (with the option to accelerate the second tranche);
- IDSB is a complementary business with IOUpay with prospective collaboration opportunities for cross-selling between IOUpay's short term (up to 6mths) BNPL offering and IDSB's longer term (10 yrs) consumer loan products;
- IDSB holds a unique and highly valuable AG Code2 licence (1 of only 2 in Malaysia) providing a significant competitive advantage to IDSB in the consumer credit market in Malaysia;
- IDSB will be accounted for as an associate under AASB12 and AASB128, using the Equity Method:
    - On initial recognition the investment in an associate or a joint venture is recognised at cost;
    - The carrying amount is increased or decreased to recognise the Company's share of the profit or loss of IDSB after the date of acquisition;
    - The Company's share of the investee's profit or loss is recognised in the investor's profit or loss. Distributions received from IDSB reduce the carrying amount of the investment.

There is no other matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the consolidated group, the results of those operations, or the state of the affairs of the consolidated group, in subsequent financial years.

Note 25: Company Details

The registered office of the Company is:
IOUpay Limited
Suite 305, 35 Lime Street
Sydney NSW 2000

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 18 to 52, are in accordance with the Corporations Act 2001 and:
    a. comply with Australian Accounting Standards which as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
    b. give a true and fair view of the financial position as at 30 June 2021 and of the performance for the year ended on that date of the company and consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
3. the Directors have been given the declarations required by s295A of the Corporations Act 2001 from the Chief Executive Officer and Chief Financial Officer.

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

Lee Chin Wee
Executive Chairman
30 September 2021

Independent Auditor's Report to the Members of IOUpay Limited

Report on the Audit of the Financial Report

Name of Firm:	MNSA Pty Ltd Chartered Accountants
Name of Auditor:	Mark Schiliro
Address:	Level 1, 283 George Street, Sydney NSW 2000
Dated this	**30th day of September 2021**

IOUPAY LIMITED
AND CONTROLLED ENTITIES
ACN 091 192 871

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF IOUPAY LIMITED AND CONTROLLED ENTITIES

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of IOUpay Limited (the Company) and Controlled Entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

In our opinion:

(a) the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:
   i. giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
   ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the Auditor's Responsibility section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (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.

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Emphasis of Matter Regarding Continuation as a Going Concern

Without qualifying our conclusion, we draw your attention to Note 1 in the financial report which indicates that the consolidated entity has experienced operating losses during the year ended 30 June 2021, and as of that date, the continuing viability of the consolidated entity and its ability to continue as a going concern and meet its debts and commitments as and when they fall due are dependent upon the consolidated entity's ability to successfully achieve positive cash flows from the groups business units and the raising of additional funds.

Key Audit Matters

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

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Decentralised Operations The Group comprises subsidiaries (components) whose operations are spread across Singapore, Malaysia, Indonesia and Myanmar. The Group's business is the provision of software-based mobile telecommunications and technology, and the components are wide ranging in size and also in the customers and products of each business operation. The decentralised and varied nature of these operations require significant oversight by IOUpay's management to monitor the activities, review component financial reporting and undertake the Group consolidation. This was a key audit matter for us given the number of subsidiaries, varied operations and the significance of these operations to the group, and the varied accounting processes and systems used. We focused on: • Understanding the components and identifying significant risks of misstatement within them; • The scoping of relevant procedures consistent with the risks identified and to enable coverage of significant aggregated balances; • The assessment of component compliance with Group accounting policies, particularly in regard to revenue recognition and capitalisation of development costs; • The consolidation process and the information provided by components used for consolidation purposes.	We instructed component audit teams to perform procedures on the financial information prepared for consolidation purposes for all components. The objective of this was to gather evidence on significant balances that aggregate to form the Group's financial reporting. The component audit teams performed audits of the financial information of the components and provided an opinion on component financial statements, which included notes and compliance with International Financial Reporting Standards. We worked with the component audit team to understand the components, to identify risks that are significant to the audit of the Group and to plan relevant procedures. We discussed the audits as they progressed to identify any issues, working with the components, as appropriate. We evaluated the work performed by the component audit teams for sufficiency for our overall audit purpose. We also considered the component auditors' compliance with the Group's accounting policies, including revenue recognition. We tested the financial data used, the consolidation process, for consistency with the financial data audited by component audit teams. We also assessed the consolidation process for compliance with accounting standards.

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Key Audit Matters (Continued)

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Carrying Value of Goodwill and Intangible Assets The carrying value of goodwill and intangible assets is a key audit matter as: • As at 30 June 2021 the group had Goodwill at a carrying value of $1,563,789 relating to Arte Mobile Technology; • The market, sector and geographic areas in which Arte Mobile Pte. Ltd (Arte Mobile ''CGU") operate are subject to strong competition, changing regulatory environment and changes in habits and trends of users relating to content and product availability; and • There is a significant level of judgement when considering management's assessment of impairment. We focused on the valuation methodology and the key inputs such as forecast cash flows, discount rates applied, forecast growth rates and risks.	• We assessed managements determination of the Group's CGU's based on our understanding of the nature of the CGU's business. We also referred to internal reporting of the Group to assess how results are monitored and reported. • We compared the forecasts used to determine the recoverable amount to Board approved forecasts. We evaluated the forecasting process undertaken by the Group assessing the precision of prior year forecast cash flows by comparing actual outcomes. We used knowledge from this evaluation to form our approach; • We challenged managements forecast cash flows based on our understanding of general geographic and market trends, growth rates and various risks. This included investigating market growth through enquiry with management and external sources; and • We considered the impacts to operations from COVID-19 during the period and management's assessment on future operations.
Cash and Cash Equivalents Cash and cash equivalents totalling $51,408,709 is a significant balance to the group. We do not consider cash and cash equivalents to be at a high risk of significant misstatement, or to be subject to significant level of judgement. However, due to the materiality in context to the financial statements as a whole, they are considered to be an area of risk in our overall audit strategy.	We have evaluated disclosure and assessed controls implemented by management during the process of our audit. This included: • Documenting and assessing the processes and controls in place to record cash transactions; • Testing and sampling payments to determine they were bona fide payments, were properly authorised and recorded in the general ledger; and • Agreeing 100% of cash holdings to independent third-party confirmations.

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Other Information

The directors of IOUpay Limited are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 (including the Australian Accounting Interpretations) 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 Note 1, the directors also state, in accordance with Accounting Standard AASB 101: Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters 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.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

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Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 11 to 13 of the directors' report for the year ended 30 June 2021.

In our opinion the remuneration report of IOUpay Limited for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

MNSA Pty Ltd

MNSA Pty Ltd

Mark Schiliro
Director

Sydney
Dated this 30th of September 2021

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ABN 59 133 605 400

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Corporate Governance Statement

The Board is committed to operating the Company's business ethically and in a manner consistent with high standards of corporate governance.

The Company has adopted the fourth edition of the Corporate Governance Principles and Recommendations released by the ASX Corporate Governance Council. The Company's Annual Corporate Governance Statement for the financial period ending 30 June 2021 has been approved by the Board and is publicly available on the Company's website at https://ioupay.com/governance.html. It will also be and released to the ASX at the same time as this Annual Report.

1. Shareholding Information

a. Distribution of Shareholders Number as at 24 September 2021:

	Number of ordinary shares	Number of holders
1-1,000	1,892,952	2,353
1,001-5,000	22,527,942	8,448
5,001-10,000	26,487,372	3,365
10,001-100,000	163,846,773	5,163
100,001 and over	336,657,026	791
	551,412,065	20,120

b. Unmarketable Parcels

- The number of unmarketable parcels holders as at 24 September 2021 is 5043.
- Under the ASX Listing Rules, any shareholding values at less than $500 is considered to be an unmarketable parcel.

c. The number of holders of each class of equity security as at 24 September 2021.

Class of Security	*Number of Holders*
Fully Paid Ordinary Shares	20,120
UNL EMP OPT expiring 08/04/2023	4

d. Substantial holders as at 24 September 2021.

As at 24 September 2021, the Company does not have any substantial holders. Substantial holders are shareholders who hold 5% or more of the Company's Shares.

e. Voting Rights

- Every member is entitled to be present at a meeting and may vote. Options do not carry a right to vote.
- On a show of hands, every Member has one vote.
- On a poll, every Member has:
  - one vote for each fully paid share; and
  - voting rights pro rata to the amount paid up on each partly paid share held by the Member.

f. 20 Largest Shareholders as at 24 September 2021 – Ordinary Shares

	Shareholder	Number of shares	Percentage Holding %
1	JOX HOLDINGS LIMITED	21,808,380	3.96%
2	CITICORP NOMINEES PTY LIMITED	19,794,964	3.59%
3	BNP PARIBAS NOMS PTY LTD <UOB KH P/L AC UOB KH DRP>	6,889,055	1.25%
4	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,533,965	1.18%
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,666,078	1.03%
6	KEONG YEW LIM	5,178,986	0.94%
7	MR BRETT PATRIDGE & MRS CHRISTINE JOANNE PARTRIDGE	4,373,999	0.79%
8	MR PAUL ANDREW JENKINS	3,550,000	0.64%
9	MR MARK JOHN WARD	3,274,000	0.59%
10	MR ARTHUR BROMIDIS	3,100,000	0.56%
11	MR MARK JOHN WARD & MS CATHERINE ALEXANDRA SMITH	3,042,500	0.55%
12	BNP PARIBAS NOMS PTY LTD <UOB KAY HIAN PRIV LTD DRP>	3,014,814	0.55%

13	MR ANTHONY JOSEPH GASPARRE	2,796,800	0.51%
14	SUPERHERO NOMINEES PTY LTD	2,513,458	0.46%
15	MR ZAW YE MYINT	2,501,098	0.45%
16	MR STEVE SIVA PARAMASIVAM	2,446,610	0.44%
17	MR HUGH CORNELIUS TWOMEY	2,397,910	0.43%
18	MR MARK WILLIAM LEONARD	2,331,206	0.42%
19	TA SECURITIES HOLDINGS BERHAD	2,202,503	0.40%
20	LIQUIPURE AUST PTY LTD	2,130,000	0.39%
		105,546,326	**19.13%**

2. The name of the Company Secretary is Mr Jarrod White. Mr White's qualifications are:

Bachelor of Business (BBus)
Chartered Accountant (CA ANZ)

Mr White has a practice in Chartered Accounting and advises and works in a number of public listed companies in Australia. In addition, he holds the position of Company Secretary in numerous public listed companies.

3. The address of the registered and principle office is:

Suite 305
35 Lime Street
Sydney NSW 2000

4. Registers of securities are held at the following address

Automic Group
Lvl 5/ 126 Phillip Street
Sydney NSW 2000

5. Stock Exchange Listing

Quotation has been granted for all the ordinary shares of the Company on all Member Exchanges of the Australian Stock Exchange Limited.

6. Restricted Securities

Ordinary Shares
Of the 551,412,065 ordinary shares on issue as at 24 September 2021. All ordinary shares are quoted on the Australian Stock Exchange. No ordinary shares are subject to escrow restrictions.

Options
No options are subject to escrow restrictions.