



## ANNUAL REPORT 2022

IMPELUS LIMITED  
ACN 089 805 416

**Impelus Limited  
Corporate Directory**

**DIRECTORS**

Rodd Boland  
Steven Hadjifotis  
Paris Magdalinos

**COMPANY SECRETARY**

Madhukar Bhalla

**A.C.N.**

089 805 416

**PRINCIPAL OFFICE & REGISTERED OFFICE**

71 Furniss Road  
Landsdale, WA 6065

**SHARE REGISTRY**

Advanced Share Registry Services  
110 Stirling Highway  
Nedlands, WA 6009

**AUDITORS**

MNSA Pty Ltd  
Level 1, 283 George Street,  
Sydney, NSW 2000

**SECURITIES EXCHANGE LISTING**

Australian Securities Exchange (ASX: IMS)

## Impelus Limited and Controlled Entities

### Directors' Report

The directors of Impelus Limited (Company) and controlled entities ('Consolidated Group' or 'Group') present their report together with the financial statements of the Group, being the Company and its controlled entities, for the year ended 30 June 2022.

The names and particulars of the directors of the Company during or since the end of the financial year unless otherwise stated are:

#### Directors

| Name   | Particulars   |
|--|---|
| <b>Rodd Boland</b><br>Non-Executive Chairman<br>appointed 12 October 2021                    | Rodd is currently employed at KPMG Sydney, where he joined in 2014 as a specialist advisor, a role in which he sources family owned businesses in greater Sydney looking to partake in Mergers & Acquisition activities in the mid markets. Rodd has previously sat on 2 ASX boards prior to joining IMS and Rodd brings a wealth of experience with his knowledge of the equity & debt capital markets, compliance, finance & operations to the IMS Board.<br><br>Rodd graduated from the University of NSW with a B.Com (Bachelor of Commerce) at UNSW in Sydney, before completing his MBA (Masters of Business Administration) at the University of Notre Dame in South Bend, Indiana, USA. |
| Interest in shares & options   | 9,900,000 ordinary shares and nil options.  |
| Special responsibilities   | Compliance & Audit Committees   |
| Directorships held in other listed entities during the three years prior to the current year | Nil   |
| <b>Paris Magdalinos</b><br>Non-Executive Director<br>appointed 01 December 2021              | Paris Magdalinos has spent the last 14 years in Capital Markets working as a Stockbroker for some of Australasia's most venerable broking institutions. In recent times Paris has directed his energies to raising capital for small cap Australian companies using his networks and reputation for integrity and innovation to create value for his clients.   |
| Interest in shares & options   | 10,102,041 ordinary shares and nil options.   |
| Special responsibilities   | Compliance & Audit Committees<br>New Business Opportunities   |
| Directorships held in other listed entities during the three years prior to the current year | Nil   |
| <b>Steven Hadjifotis</b><br>Non-Executive Director<br>appointed 01 December 2021             | Steven Hadjifotis brings over 15 years of experience in directing roles for private enterprise. Steven is a member of the AICD and brings valuable experience in operations and capital markets to the IMS team.<br>Steven is currently the Non-Executive Chair for Cavendish Renewable Technology  |
| Interest in shares & options   | 10,102,041 ordinary shares and nil options.   |
| Special responsibilities   | Compliance & Audit Committees   |
| Directorships held in other listed entities during the three years prior to the current year | Nil   |

**Directors**

| Name  | Particulars   |
|---|---|
| <p><b>Brendan Birthistle</b><br/>Independent chairman<br/>Non-executive director<br/>appointed 04 December 2018.<br/>Resigned 17 November 2021</p> <p>Interest in shares &amp; options</p> <p>Special responsibilities</p> <p>Directorships held in other listed entities during the three years prior to the current year</p>                                  | <p>Mr Birthistle has significant and substantial strategic and operational experience. Early in his career, he worked as a management consultant with WD Scott, and as a Corporate Planner for ICL Australia (International Computers) and Wormald International Limited. As a CEO of Raynors (a subsidiary of Adelaide Steamships), he and the enthusiastic management team successfully transformed what was a moribund company.</p> <p>Brendan operated his boutique financial planning organisation, Connaught Consultants, for over 30 years (1984 to 2015). To achieve a better deal for Australian shareholders, he served the Australian Shareholders’ Association serving as Chairman for 3 years in the early Nineties. In 2003 he was elected as a Director of CCI a small struggling listed coal testing company and was partly instrumental in the turn-around of the Company and its eventual sale. Investors were rewarded with a four-fold increase in their original investment.</p> <p>For the past ten years, Brendan has concentrated on investing mainly in listed micro-cap companies. He presently owns shares in over 60 companies mainly technical and digital in nature. This experience has proved enjoyable, educational and highly profitable. He is also a director of 3 successful private companies and The Eolas Foundation a charitable trust.</p> <p>Brendan’s educational qualifications include an MBA (University of California, Los Angeles, B.Sc. (Hons) from University College, Dublin, a BA (UNSW), and a Diploma of Jurisprudence (University of Sydney).</p> <p>270,093,204 ordinary shares and nil options as at date of resignation.</p> <p>Mr. Birthistle was a member of the audit committee, the nomination and remuneration committee.</p> <p>Nil.</p> |
| <p><b>David Andrew Haines</b><br/>Independent<br/>Non-executive director<br/><b>Interim Chairman</b><br/>from 9 November 2018 to 30 November 2018<br/>Resigned 17 November 2021</p> <p>Interest in shares &amp; options</p> <p>Special responsibilities</p> <p>Directorships held in other listed entities during the three years prior to the current year</p> | <p>A director of the Company since May 2001. Mr. Haines holds a Bachelor of Education degree and was Secretary to the Standing Committee of Commonwealth, State and Territory Ministers with Censorship Responsibilities (1988 to 1994), Deputy Chief Censor, Australian Film Censorship Board (1986 to 1994) and Member of the Australian Film Censorship Board (1981-1994).</p> <p>565,000 ordinary shares and nil options as at date of resignation.</p> <p>Mr. Haines was chair of the audit committee and a member of the nomination and remuneration committee.</p> <p>Nil.</p>   |

**Company Secretary**

| Name   | Particulars  |
|--|--|
| <b>Madhukar Bhalla</b><br>Company secretary<br><b>Appointed</b> 25 November 2021<br><br>Interest in shares & options                                   | Mr Bhalla is an experienced company secretary who has previously worked with multiple ASX-listed companies and is proficient in corporate governance, company administration, financial management, and corporate law. Mr Bhalla also has significant business and management experience having previous job titles including general manager and corporate administrator.<br><br>Nil. |
| <b>Brendan Birthistle</b><br>Company secretary<br><b>Appointed</b> 21 May 2021<br><b>Resigned</b> 17 November 2021<br><br>Interest in shares & options | 270,093,204 ordinary shares and nil options at date of resignation.  |

## **Impelus Limited and Controlled Entities**

### **Review of Operations**

On 9 March 2021, the group entered external administration resulting in a Deed of company arrangement (DOCA). The Group left external administration on 17 November 2021 and directors are assessing opportunities available to the group going forward.

Impelus Limited posted an EBITDA of (\$0.35) million (FY2021 (\$0.48) million), no revenue was recorded (FY2020 \$1.91 million) and a full-year loss after tax of \$0.35 million compared to the prior year profit after tax of \$1.19 million.

### **Personnel Changes - Board**

On 17 November 2021, Mr Brendan Birthistle resigned as company secretary.

On 17 November 2021, Mr Brendan Birthistle and Mr David Haines resigned as directors of the Company.

On 25 November 2021, Mr Madhukar Bhalla was appointed as company secretary.

On 01 December 2021, Mr Paris Magdalinos and Mr Steven Hadjifotis were appointed as directors of the Company.

Mr Edward Day, Mr Keith Rhee and Mr Rodd Boland were appointed as directors of the Company on 12 Oct 2021 as announced on 16 December 2021. Mr Edward Day and Mr Keith Rhee resigned as directors of the Company on 30 November 2021.

### **Cash Flow**

The Company's Cash at Bank was \$18,923 at 30 June 2022, compared to \$205,263 at 30 June 2021.

### **Capital Expenditure**

Capital expenditure for the financial year ending 2022 was nil.

### **Financial Position**

The net assets of the Consolidated Group have decreased by \$55,111 from \$1,858 in FY 2021, to (\$53,253) in FY 2022.

### **Significant Changes in State of Affairs**

Since leaving voluntary administration from 17 November 2021, the directors are continuing search and evaluation of a suitable asset to invest in and re-list the Company.

### **After Balance Date Events**

There are no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Consolidated Group in future financial years.

### **Environmental Issues**

The consolidated entity's operations are not affected by any significant environmental regulation under the law of the Commonwealth or the State. To the extent that any environmental regulations may have an incidental impact on the Consolidated Group's operations, the directors of the Company and its controlled entities are not aware of any breach by the Company and its controlled entities of those regulations.

### **Dividends**

There have been no dividends paid or declared since the beginning of the financial year, and the directors do not recommend the payment of a dividend in respect of the financial year ended 30 June 2022.

### **Share Based Payments**

There have been no share-based payments in the financial year ending 30 June 2022.

## **Remuneration Report**

The Remuneration Report forms part of the Directors' Report and outlines the remuneration arrangements for executives and employees of Impelus Limited, including key management personnel in accordance with relevant accounting standards and *Section 300A of the Corporations Act*.

The remuneration policy of Impelus Limited has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering short term incentives and long-term incentives based on key performance areas affecting the Consolidated Group's financial results. The Board of Impelus Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Consolidated Group, as well as create goal congruence between directors, executives and shareholders.

The performance of key management personnel is measured against criteria agreed annually with each executive and is based predominantly on the forecast growth of the Consolidated Group's revenue, profits, shareholders' value as well as personal goals. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting.

Based on operations, Remuneration is determined by the directors and a remuneration committee will be established when warranted.

## **Relationship between Remuneration Policy and Company Performance**

The remuneration policy has been tailored to increase goal congruence between shareholders, directors and executives.

Two methods have been applied to achieve this aim, the first being a performance-based STI bonus based on key performance indicators, and the second being the LTI issue of options to the majority of key management personnel to encourage the alignment of personal and shareholder interests. The Company believes this policy is effective in positioning itself for future growth.

The following table shows the revenue and earnings for the last five years for the listed entity, as well as the share prices at the end of the respective financial years.

|                               | <b>30 June<br/>2018</b> | <b>30 June<br/>2019</b> | <b>30 June<br/>2020</b> | <b>30 June<br/>2021</b> | <b>30 June<br/>2022</b> |
|-------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Revenue \$                    | 25,510,096              | 12,074,388              | 9,410,601               | 1,916,569               | -                       |
| EBITDA \$                     | 4,551,844               | 70,860                  | (365,803)               | (484,411)               | (352,796)               |
| Net profit / (loss) after tax | (29,010,946)            | (12,271,242)            | (6,647,046)             | 1,185,332               | (352,815)               |
| Share price (cents)           | 1.7                     | 0.7                     | 0.5                     | 0.6                     | 0.6                     |

The Group's performance over the last five years is set out in the table above.

## **Table of Employment Details of Members of Key Management Personnel**

No STI bonuses were awarded to key management personnel for FY 2022.

No Options were issued during FY 2022 to key management personnel or staff.



## Director and Executive Remuneration

The following table of benefits and payments detail, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Consolidated Group and, to the extent different, the one group executive and one company executive receiving the highest remuneration:

| 2022                      | Short-term Benefits         |             |                    | Post-employment Benefits | Termination Payment | Equity-Settle Share-based Payments |               | Total \$ |
|---------------------------|-----------------------------|-------------|--------------------|--------------------------|---------------------|------------------------------------|---------------|----------|
|                           | Salary & Fees & Leave<br>\$ | Bonus<br>\$ | Non-Monetary<br>\$ | Super-annuation<br>\$    |                     | Shares<br>\$                       | Options<br>\$ |          |
| <b>Non-Exec Directors</b> |                             |             |                    |                          |                     |                                    |               |          |
| Rodd Boland               | -                           | -           | -                  | -                        | -                   | -                                  | -             | -        |
| Paris Magdalinos          | -                           | -           | -                  | -                        | -                   | -                                  | -             | -        |
| Steven Hadjifotis         | -                           | -           | -                  | -                        | -                   | -                                  | -             | -        |
|                           | -                           | -           | -                  | -                        | -                   | -                                  | -             | -        |

| 2021                      | Short-term Benefits         |             |                    | Post-employment Benefits | Termination Payment | Equity-Settle Share-based Payments |               | Total \$       |
|---------------------------|-----------------------------|-------------|--------------------|--------------------------|---------------------|------------------------------------|---------------|----------------|
|                           | Salary & Fees & Leave<br>\$ | Bonus<br>\$ | Non-Monetary<br>\$ | Super-annuation<br>\$    |                     | Shares<br>\$                       | Options<br>\$ |                |
| <b>Non-Exec Directors</b> |                             |             |                    |                          |                     |                                    |               |                |
| Brendan Birthistle        | -                           | -           | -                  | -                        | -                   | -                                  | -             | -              |
| David Haines              | 34,000                      | -           | -                  | 5,360                    | -                   | -                                  | -             | 39,360         |
| Rodd Boland               | -                           | -           | -                  | -                        | -                   | -                                  | -             | -              |
| Paris Magdalinos          | -                           | -           | -                  | -                        | -                   | -                                  | -             | -              |
| Steven Hadjifotis         | -                           | -           | -                  | -                        | -                   | -                                  | -             | -              |
| <b>Executives</b>         |                             |             |                    |                          |                     |                                    |               |                |
| Felix Chen                | 87,500                      | -           | -                  | 8,312                    | -                   | -                                  | -             | 95,812         |
|                           | <b>121,500</b>              | -           | -                  | <b>13,672</b>            | -                   | -                                  | -             | <b>135,172</b> |

### Short Term Incentive Plan – Cash Bonuses

The Company has in place short term incentive plans. Key management are entitled to a short-term cash incentive based on performance criteria as determined by and at the discretion of the board. The metrics for the short-term incentive plans relate to EBITDA performance and personal goals.

The performance criteria must be met within the financial year for the bonus entitlement to be realised.

For FY 2022 there was no STI incentive plan.

## Impelus Limited and Controlled Entities

### Incentive Payment Determination

The short-term incentive plan for FY 2022 provides for the board to apply at its discretion an adjusted multiplier to the incentive base of each incentive plan participant, based on overall performance, of between 0 and 1.5.

For FY 2022 there was no STI incentive plan.

### Bonuses for FY 2022

No STI bonuses were awarded for FY 2022.

### Share Options

#### Long term incentive plan – share options.

No options were issued to staff during financial year ending 2022.  
As ASX announcement on 3 January 2022, 65,712 options were expired.

#### Share options granted to executives during the financial year.

There were no options granted to employees during the financial year.

#### Share options granted to other parties during the financial year.

There were no options granted to other parties during the financial year.

### Share Options on Issue at Year End

At the end of 30 June 2022, the Company does not have Share Options on Issue.

### Meetings of Directors

During the financial year, 11 meetings of directors (plus committees of directors) were held. Attendances by each director during the year were as follows:

| Directors         | Directors' Meetings |          | Audit Committee    |          |
|-------------------|---------------------|----------|--------------------|----------|
|                   | Eligible to attend  | Attended | Eligible to attend | Attended |
| Rodd Boland       | 11                  | 11       |                    |          |
| Paris Magdalinos  | 11                  | 11       | N/A                | N/A      |
| Steven Hadjifotis | 11                  | 11       |                    |          |

### Indemnification of Officers and Auditors

As the Company has just emerged from Administration and does not have a business the Directors and Officers insurance has not been purchased. This will be considered and the insurance which is appropriate for the business being undertaken will be arranged.

### Non-Audit Services

The Board of Directors is satisfied that the general standard of independence for auditors imposed by the *Corporations Act* has been met. No non-audit services were performed during the financial year to 30 June 2022.

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30 June 2022 has been received and can be found on page 12 of this Report.

This report of directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors.

*R Boland*

Rodd Boland  
Non-executive Chairman

29 July 2022

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF  
THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF IMPELUS LIMITED AND CONTROLLED ENTITIES  
ABN 24 089 805 416**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Impelus Limited.

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

- i. the auditor independence requirements of 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 29<sup>th</sup> July 2022



MNSA

**Consolidated Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 June 2022**

|   | Notes | Consolidated Group |                  |
|---|-------|--------------------|------------------|
|   |       | 2022<br>\$         | 2021<br>\$       |
| <b>Continuing Operations</b>                          |       |                    |                  |
| Revenue from Continuing Operations rendered           | 3     | -                  | 1,916,569        |
| Cost of sales   |       | -                  | (1,322,322)      |
|   |       | -                  | 594,247          |
| Interest income                                       | 3     | -                  | 728              |
| Debt Forgiveness                                      | 3     | -                  | 7,265,848        |
| Finance costs   | 4     | (19)               | (275,218)        |
| Depreciation and amortisation expense                 | 4     | -                  | (1,615,827)      |
| Impairment of Fixed Assets                            |       | -                  | (131,079)        |
| Employee benefits expense                             | 4     | (224,147)          | (675,626)        |
| Legal expenses  | 4     | (32,670)           | (15,626)         |
| Occupancy expenses                                    | 4     | -                  | (3,859)          |
| Operational expenses                                  |       | (5,997)            | (93,187)         |
| Other expenses from ordinary activities               |       | (89,982)           | (290,360)        |
| <b>(Loss)/Profit before income tax</b>                |       | <b>(352,815)</b>   | <b>4,760,041</b> |
| Income Tax benefit                                    | 5     | -                  | 157,246          |
| <b>Net (Loss)/Profit for the year</b>                 |       | <b>(352,815)</b>   | <b>4,917,287</b> |
| <b>Discontinued Operations</b>                        |       |                    |                  |
| Net (Loss) from Discontinued Operations after tax     |       | -                  | (3,731,955)      |
| <b>Net (Loss)/Profit for the year</b>                 |       | <b>(352,815)</b>   | <b>1,185,332</b> |
| <b>Total Comprehensive (Loss)/Profit for the year</b> |       | <b>(352,815)</b>   | <b>1,185,332</b> |
| Basic (Loss)/Profit per share (cents per share)       | 8     | (0.44)             | 0.15             |
| Diluted (Loss)/Profit per share (cents per share)     | 8     | (0.44)             | 0.15             |

*The accompanying notes form part of these financial statements.*

**Consolidated Statement of Financial Position  
As at 30 June 2022**

|  | Notes | Consolidated Group |                |
|--|-------|--------------------|----------------|
|  |       | 2022<br>\$         | 2021<br>\$     |
| <b>ASSETS</b>                          |       |                    |                |
| <b>CURRENT ASSETS</b>                  |       |                    |                |
| Cash and cash equivalents              | 9     | 18,923             | 205,263        |
| Trade and other receivables            | 10    | 9,332              | -              |
| <b>TOTAL CURRENT ASSETS</b>            |       | <b>28,255</b>      | <b>205,263</b> |
| <b>NON-CURRENT ASSETS</b>              |       |                    |                |
| Plant and equipment                    | 13    | -                  | -              |
| Intangible assets                      | 12    | -                  | -              |
| Other non-current assets               |       | -                  | 6,300          |
| <b>TOTAL NON-CURRENT ASSETS</b>        |       | <b>-</b>           | <b>6,300</b>   |
| <b>TOTAL ASSETS</b>                    |       | <b>28,255</b>      | <b>211,563</b> |
| <b>LIABILITIES</b>                     |       |                    |                |
| <b>CURRENT LIABILITIES</b>             |       |                    |                |
| Trade and other payables               | 14    | 51,489             | 113,733        |
| Borrowings                             | 15    | 30,019             | -              |
| Short-term provisions                  | 17    | -                  | 95,972         |
| <b>TOTAL CURRENT LIABILITIES</b>       |       | <b>81,508</b>      | <b>209,705</b> |
| <b>NON-CURRENT LIABILITIES</b>         |       |                    |                |
| <b>TOTAL NON-CURRENT LIABILITIES</b>   |       | <b>-</b>           | <b>-</b>       |
| <b>TOTAL LIABILITIES</b>               |       | <b>81,508</b>      | <b>209,705</b> |
| <b>NET (LIABILITIES)/ASSETS</b>        |       | <b>(53,253)</b>    | <b>1,858</b>   |
| <b>EQUITY</b>                          |       |                    |                |
| Issued capital                         | 18    | 51,194,042         | 50,896,338     |
| Reserves                               | 19    | -                  | 38,887         |
| (Accumulated Losses)                   |       | (51,247,295)       | (50,933,367)   |
| <b>TOTAL (NET DEFICIENCY) / EQUITY</b> |       | <b>(53,253)</b>    | <b>1,858</b>   |

*The accompanying notes form part of these financial statements.*

**Consolidated Statement of Cash Flows  
For the Year Ended 30 June 2022**

|  |             | <b>Consolidated Group</b> |                  |
|--|-------------|---------------------------|------------------|
|  | <b>Note</b> | <b>2022</b>               | <b>2021</b>      |
|  |             | <b>\$</b>                 | <b>\$</b>        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                |             |                           |                  |
| Receipts from customers                                    |             | -                         | 3,509,603        |
| Payments to suppliers and employees                        |             | (514,044)                 | (4,011,097)      |
| Interest Received  |             | -                         | 728              |
| Interest Paid  |             | -                         | (121,054)        |
| <b>Net cash (used in) operating activities</b>             | <b>20</b>   | <b>(514,044)</b>          | <b>(621,820)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                |             |                           |                  |
| Loan Repayment   |             | -                         | (186,008)        |
| Proceeds from borrowings                                   |             | 30,000                    | -                |
| Issue of capital   |             | 297,704                   | -                |
| <b>Net cash provided by/(used in) financing activities</b> |             | <b>327,704</b>            | <b>(186,008)</b> |
| <b>Net (decrease) in cash held</b>                         |             | <b>(186,340)</b>          | <b>(807,828)</b> |
| Cash at beginning of financial year                        |             | 205,263                   | 1,013,091        |
| <b>Cash at end of financial year</b>                       | <b>9</b>    | <b>18,923</b>             | <b>205,263</b>   |

*The accompanying notes form part of these financial statements.*

**Consolidated Statement of Changes in Equity  
For the Year Ended 30 June 2022**

|  | Issued<br>Capital | Accumulated<br>Losses | Reserves      | Foreign<br>Currency<br>Reserve | Total Equity       |
|--|-------------------|-----------------------|---------------|--------------------------------|--------------------|
|  | \$                | \$                    | \$            | \$                             | \$                 |
| <b>Balance as at 1 July 2020</b>       | <b>50,896,338</b> | <b>(52,118,699)</b>   | <b>38,887</b> | <b>(876,006)</b>               | <b>(2,059,480)</b> |
| Issued Capital                         | -                 | -                     | -             | -                              | -                  |
| Profit for the year                    | -                 | 1,185,332             | -             | -                              | 1,185,332          |
| Foreign exchange gain/(loss) write off | -                 | -                     | -             | 876,006                        | 876,006            |
| <b>Balance as at 30 June 2021</b>      | <b>50,896,338</b> | <b>(50,933,367)</b>   | <b>38,887</b> | <b>-</b>                       | <b>1,858</b>       |
| <b>Balance as at 1 July 2021</b>       | <b>50,896,338</b> | <b>(50,933,367)</b>   | <b>38,887</b> | <b>-</b>                       | <b>1,858</b>       |
| Issued Capital                         | 297,704           | -                     | -             | -                              | 297,704            |
| Loss for the year                      | -                 | (352,815)             | -             | -                              | (352,815)          |
| Options Expired                        | -                 | 38,887                | (38,887)      | -                              | -                  |
| <b>Balance as at 30 June 2022</b>      | <b>51,194,042</b> | <b>(51,247,295)</b>   | <b>-</b>      | <b>-</b>                       | <b>(53,253)</b>    |

The accompanying notes form part of these financial statements.



## **Note 1. Significant Accounting Policies**

These consolidated financial statements and notes represent those of Impelus Limited (Company) and controlled entities ('Consolidated Group' or 'Group'). The separate financial statements of the parent entity, Impelus Limited, have not been presented within this financial report as permitted by the *Corporations Act 2001*.

The financial statements were authorised for issue on 29 July 2022 by the directors of the Company.

### **Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**) and the *Corporations Act 2001*. The Group is a for profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by International Accounting Standards Board (**IASB**).

Except for cash flow information the financial statements have been prepared on an accruals 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. Fair Value which is level 3 "unobservable inputs" is determined primarily from inputs reflective of management expectations.

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

### **A. Principles of Consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Impelus Limited at the end of the reporting period. A controlled entity is any entity over which Impelus Limited has the power to govern the financial and operating policies so as to obtain benefits from the entity's activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year that they were controlled. A list of controlled entities is contained in Note 11 to the financial statements.

In preparing the consolidated financial statements, all inter-group balances and transactions between entities in the Consolidated Group have been eliminated in full on consolidation.

Non-controlling interests, being the equity in a subsidiary not attributable, directly or indirectly, to a parent, are reported separately within the equity section of the consolidated Statement of Financial Position and Statement of Profit or Loss and other comprehensive income. The minority interests in the net assets comprise their interests at the date of the original business combination and their share of changes in equity since that date.

### **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 attained, 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 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.

## **Note 1. Significant Accounting Policies (continued)**

All transaction costs incurred in relation to the business combination are expensed to the statement of profit or loss. 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 accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- i. the consideration transferred;
- ii. any non-controlling interest; and
- iii. the acquisition date fair value of any previously held equity interest over the acquisition date fair value of net identifiable assets acquired.

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.

Fair value uplifts in the value of pre-existing equity holdings are taken to the statement of profit or loss. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

The amount of goodwill recognised on acquisition of each subsidiary in which the Group holds less than a 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 notes to these 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. Under this method, goodwill attributable to the non-controlling interests is recognised in the consolidated financial statements.

Goodwill on acquisitions 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 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 are accounted for as equity transactions and do not affect the carrying values of goodwill.

## **Note 1. Significant Accounting Policies (continued)**

### **B. Income Tax**

The income tax expense/(revenue) 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.

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.

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.

Impelus Limited and its wholly-owned Australian controlled entities implemented the tax consolidation legislation.

The head entity, Impelus Limited and the controlled entities in the tax Consolidated group continue to account for their own current and deferred tax amounts. The Group has applied the Group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax Consolidated Group.

In addition to its own current and deferred tax amounts, Impelus Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax Consolidated Group.

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

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

## **Note 1. Significant Accounting Policies (continued)**

### **C. Plant and Equipment**

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either through profit or loss or as a revaluation decrease if the impairment losses relate to a re-valued asset. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 1.F for details of impairment).

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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 Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

#### **Depreciation**

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the consolidated Group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

| <b>Class of Fixed Asset</b>            | <b>Depreciation Rate</b> |
|--|--------------------------|
| Leasehold improvements                 | 20%                      |
| Furniture and fittings                 | 20%                      |
| Computer equipment                     | 33%                      |
| Internet / website                     | 33% - 67%                |
| Software developed                     | 33%                      |
| Software acquired through acquisitions | 20%                      |

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

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 the carrying amount. These gains and losses are included in the statement of profit or loss. When re-valued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

## **Note 1. Significant Accounting Policies (continued)**

### **D. Leases**

The Group adopted AASB 16 and the date of initial application of AASB 16 for the Group was 1 July 2018.

Except for short term leases and leases of low value assets, the Group applies a single recognition and measurement approach for all leases representing the right to use the underlying asset. Right-of-Use recognised at the commencement date of the lease and corresponding lease liabilities measured at the present value of lease payments over the lease term are recognised in the statement of financial position. Depreciation charges of Right-of-Use assets, and interest expenses on the lease liability replaces straight line operating expenses.

### **E. Financial Instruments**

#### **i. 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 either the purchase or sale of the 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.

#### **ii. Classification and Subsequent Measurement**

##### **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 substantially measured at amortised cost using the effective interest rate method.

Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after reporting date (all other loans and receivables are classified as non-current assets).

#### **iii. Impairment**

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset has been impaired. 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 financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

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.

#### **iv. De-recognition**

Financial assets are de-recognised when the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are de-recognised when the related obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

## **Note 1. Significant Accounting Policies (continued)**

### **F. Impairment of Assets**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a re-valued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116). Any impairment loss of a re-valued asset is treated as a revaluation decrease in accordance with that other Standard. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

### **G. Intangible Assets Other Than Goodwill**

#### **Research and Development**

Expenditure during the research phase of a project is recognised as an expense when incurred. Software and product development costs are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably. Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project.

### **H. Foreign Currency Transactions and Balances**

#### **Functional and Presentation Currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

#### **Transaction and Balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the statement of profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in the statement of profit and loss.

#### **Group Companies**

The financial results and position of foreign operations whose functional currency is different from the Group's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at the end of that reporting period;
- Income and expenses are translated at average exchange rates for the period; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss in the period in which the operation is disposed.

## **Note 1. Significant Accounting Policies (continued)**

### **I. Provisions**

Provisions are recognised when the Group has legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

### **J. Employee Benefits**

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wages increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

### **Equity-settled Compensation**

The Group operates an employee share ownership plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortised over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

### **K. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

### **L. Revenue**

In accordance with AASB 15 Revenue from Contract with Customers, revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from rendering services is recognised at a point in time in the period in which the service is rendered. Interest revenue is recognised using the effective interest rate method.

All revenue is stated net of the amount of Goods and Services Tax (GST).

### **M. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the period in which they are incurred.

## **Note 1. Significant Accounting Policies (continued)**

### **N. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

### **O. New and Amended accounting policies adopted by the Group and New Accounting Standards for application in future periods**

There are no standards that are yet effective and that would be expected to have material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

### **P. Comparative Figures**

Where required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

Where the Group has retrospectively applied an accounting policy or makes a retrospective restatement of items in the financial statements, or when it reclassifies items in its financial statements, an additional statement of financial position as at the beginning of the earliest comparative period will be disclosed.

### **Q. Critical Accounting Estimates and Judgment**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

#### **Estimation Uncertainty**

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenditures is provided below. Actual results may be substantially different.

#### **Key Estimates – Impairment**

The Group assesses impairment at the end of each reporting period by evaluating conditions specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using the value-in-use calculations which incorporate various key assumptions.

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. Due to COVID-19 impact, management has adjusted the assumptions for future operating results to reflect the revenue decline and recovery period.



**Note 1. Significant Accounting Policies (continued)**

**Q. Critical Accounting Estimates and Judgment (continued)**

**Useful Lives of Depreciable Assets**

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

**R. Going Concern**

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

As at 30 June 2022, the Group had net current liabilities of \$53,253 (Jun 2021: \$4,442). During the year the group cash at bank reduced by \$186,340 (Jun 2021 reduced by \$807,828).

No depreciation & amortisation expenses have been recorded in FY 2022. (Jun 2021: \$1,615,827).

IMS is pursuing a transaction to bring new business operations into the group. The directors are in final stages of negotiating a Convertible Note for \$500,000.00, they also have in place a capital raising under the Scheme of Arrangement which is contemplated to be \$250,000.00. These two amounts, together, give comfort to the Board that the entity will remain a going concern.

**Note 2. Parent Information**

The following information has been extracted from the books and records of the parent and has been prepared in accordance with Accounting Standards.

|  | <b>2022</b>     | <b>2021</b>    |
|--|-----------------|----------------|
|  | <b>\$</b>       | <b>\$</b>      |
| <b>Statement of Financial Position</b> |                 |                |
| <b>Assets</b>                          |                 |                |
| Current assets                         | 28,255          | 238,918        |
| <b>Total current assets</b>            | <u>28,255</u>   | <u>238,918</u> |
| Non-current assets                     | -               | -              |
| <b>Total non-current assets</b>        | <u>-</u>        | <u>-</u>       |
| <b>Total assets</b>                    | <u>28,255</u>   | <u>238,918</u> |
| <b>Liabilities</b>                     |                 |                |
| Current liabilities                    | 81,508          | 6,980          |
| <b>Total current liabilities</b>       | <u>81,508</u>   | <u>6,980</u>   |
| Non-current liabilities                | -               | -              |
| <b>Total non-current liabilities</b>   | <u>-</u>        | <u>-</u>       |
| <b>Total liabilities</b>               | <u>81,508</u>   | <u>6,980</u>   |
| <b>Net Assets</b>                      | <u>(53,253)</u> | <u>231,938</u> |
| <b>Equity</b>                          |                 |                |
| Issued capital                         | 51,194,042      | 50,896,338     |
| Accumulated losses                     | (51,286,182)    | (50,703,287)   |
| Reserve                                | 38,887          | 38,887         |
| <b>Total Equity</b>                    | <u>(53,253)</u> | <u>231,938</u> |

**Guarantees**

Impelus Limited 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 2022, Impelus Limited had not entered into any contractual commitments for the acquisition of property, plant and equipment.

**Note 3. Revenue and Other Income**

|   | <b>Consolidated Group</b> |                  |
|---|---------------------------|------------------|
|   | <b>2022</b>               | <b>2021</b>      |
|   | <b>\$</b>                 | <b>\$</b>        |
| <b>Revenue from continuing operations</b> |                           |                  |
| Sales revenue:                            |                           |                  |
| Revenue from services rendered            | -                         | 1,916,569        |
| Interest received:                        |                           |                  |
| Other persons                             | -                         | 728              |
| <b>Debt Forgiveness:</b>                  |                           |                  |
| Borrowing                                 | -                         | 5,832,016        |
| Trade Creditors                           | -                         | 815,226          |
| Employee related Liabilities              | -                         | 618,606          |
| <b>Total Debt Forgiveness</b>             | -                         | <u>7,265,848</u> |
| <b>Total Revenue</b>                      | -                         | <u>9,183,145</u> |

**Note 4. Profit/(Loss) for the Year**

|  | <b>Consolidated Group</b> |                  |
|--|---------------------------|------------------|
|  | <b>2022</b>               | <b>2021</b>      |
|  | <b>\$</b>                 | <b>\$</b>        |
| <b>A. Expenses</b>                                   |                           |                  |
| Borrowing expenses:                                  |                           |                  |
| Interest expense                                     | 19                        | 275,218          |
| <b>Total borrowing expense</b>                       | <u>19</u>                 | <u>275,218</u>   |
| Legal expenses:                                      |                           |                  |
| Legal fees   | 32,670                    | 15,626           |
| <b>Total legal expenses</b>                          | <u>32,670</u>             | <u>15,626</u>    |
| Amortisation and impairment of intangible assets:    |                           |                  |
| Software and website development                     | -                         | 1,473,956        |
| <b>Total amortisation and impairment</b>             | <u>-</u>                  | <u>1,473,956</u> |
| Depreciation of non-current assets:                  |                           |                  |
| Computer equipment                                   | -                         | 600              |
| Furniture and fixtures                               | -                         | 36,898           |
| Leasehold improvements                               | -                         | 104,373          |
| <b>Total depreciation</b>                            | <u>-</u>                  | <u>141,871</u>   |
| Rental expense:                                      |                           |                  |
| Rental expense on operating leases                   | -                         | 3,859            |
| <b>Total rental expense</b>                          | <u>-</u>                  | <u>3,859</u>     |
| Employee benefits expense:                           |                           |                  |
| Employee benefits expense from Continuing Operations | 224,147                   | 675,626          |
| <b>Total employee benefits expense</b>               | <u>224,147</u>            | <u>675,626</u>   |

**Note 5. Income Tax Expense**

|  | <b>Consolidated Group</b> |                  |
|--|---------------------------|------------------|
|  | <b>2022</b>               | <b>2021</b>      |
|  | <b>\$</b>                 | <b>\$</b>        |
| a. The components of income tax expense / (credit) comprise:                   |                           |                  |
| Current Tax  | (88,204)                  | -                |
| Deferred Tax   | -                         | -                |
| Under / (Over) provision of tax from prior years                               | -                         | (157,246)        |
| Tax losses carried forward and other timing differences not brought to account | 88,204                    | -                |
|  | <u>-</u>                  | <u>(157,246)</u> |

b. The prima facie tax on profit / (loss) from ordinary activities before income tax is reconciled to the income tax expense / (benefit) as follows:

|  |                 |                  |
|--|-----------------|------------------|
| <b>Prima facie tax on Profit / (Loss) before income tax at 25%</b>             | <b>(88,204)</b> | <b>1,237,611</b> |
| Tax effect of:   |                 |                  |
| Difference in tax rate   | -               | -                |
| Other non-deductible items   | -               | 800,075          |
| Other deductible items   | -               | -                |
| Other non-allowable items  | -               | -                |
| Tax Losses not available for utilisation                                       | -               | -                |
| Carried forward tax losses utilised  | -               | (2,037,686)      |
| Movements in Deferred Taxes  | -               | -                |
| R&D Concession Refund  | -               | (157,246)        |
| Under / (Over) provision of tax from prior years                               | -               | -                |
| Tax losses carried forward and other timing differences not brought to account | 88,204          | -                |
|  | <u>-</u>        | <u>(157,246)</u> |
| <b>Income tax attributable to entity</b>                                       | <b>-</b>        | <b>(157,246)</b> |

**Note 6. Interests of Key Management Personnel (KMP)**

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2022.

The totals of remuneration paid to KMP of the Company and the Group during the year are as follows:

|                              |          |                |
|------------------------------|----------|----------------|
| Short-term employee benefits | -        | 121,500        |
| Post-employment benefits     | -        | 13,672         |
|                              | <u>-</u> | <u>135,172</u> |

## Note 6. Interests of Key Management Personnel (KMP) (continued)

### KMP Options Holdings

The number of options over ordinary shares held by each KMP of the Group during the financial year is as follows:

### KMP Shareholdings

| 30 June 2022        | Balance at Beginning of Year | Granted as Remuneration During the Year | Other Changes During the Year | Balance at End of Year | Vested During the Year | Vested and Exercisable |
|---------------------|------------------------------|---|-------------------------------|------------------------|------------------------|------------------------|
| Brenden Birthistle  | -                            | -                                       | -                             | -                      | -                      | -                      |
| David Haines        | -                            | -                                       | -                             | -                      | -                      | -                      |
| Rodd Boland         | -                            | -                                       | -                             | -                      | -                      | -                      |
| Paris Magdalinos    | -                            | -                                       | -                             | -                      | -                      | -                      |
| Steven Hadjifotis   | -                            | -                                       | -                             | -                      | -                      | -                      |
| Maureen Smith       | 400,000                      | -                                       | (400,000)                     | -                      | -                      | -                      |
| Felix Chen          | 300,000                      | -                                       | (300,000)                     | -                      | -                      | -                      |
|                     | <b>700,000</b>               | -                                       | <b>(700,000)</b>              | -                      | -                      | -                      |
| <b>30 June 2021</b> |                              |   |                               |                        |                        |                        |
| Brenden Birthistle  | -                            | -                                       | -                             | -                      | -                      | -                      |
| David Haines        | -                            | -                                       | -                             | -                      | -                      | -                      |
| Maureen Smith       | 400,000                      | -                                       | -                             | 400,000                | -                      | -                      |
| Felix Chen          | 300,000                      | -                                       | -                             | 300,000                | -                      | -                      |
|                     | <b>700,000</b>               | -                                       | -                             | <b>700,000</b>         | -                      | -                      |

The number of ordinary shares held in Impelus Limited by each key management personnel of the Group during the financial year is as follows:

| 30 June 2022                      | Balance at Beginning of the Year | Granted as Remuneration During the Year | Other Changes During the Year | Balance at End of Year |
|-----------------------------------|----------------------------------|---|-------------------------------|------------------------|
| Rodd Boland                       | -                                | 9,900,000                               | -                             | 9,900,000              |
| Paris Magdalinos                  | -                                | 10,102,041                              | -                             | 10,102,041             |
| Steven Hadjifotis                 | -                                | 10,102,041                              | -                             | 10,102,041             |
|                                   | -                                | 30,104,082                              | -                             | 30,104,082             |
| <b>30 June 2021</b>               |                                  |   |                               |                        |
| David Haines <sup>(1)</sup>       | 565,000                          | -                                       | (565,000)                     | -                      |
| Brendan Birthistle <sup>(2)</sup> | 270,093,204                      | -                                       | (270,093,204)                 | -                      |
| Felix Chen                        | -                                | -                                       | -                             | -                      |
|                                   | <b>270,658,204</b>               | -                                       | <b>(270,658,204)</b>          | -                      |

(1) Mr David Haines resigned as a director on 17 November 2021.

The change of shareholdings was to reflect his resignation. His shareholdings remained 565,000 as at 30 June 2021.

(2) Mr Brendan Birthistle resigned as a director on 17 November 2021.

The change of shareholdings was to reflect his resignation. His shareholdings remained 270,093,204 as at 30 June 2021.

### Other KMP Transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer to Note 26: Related Party Transactions.

**Note 7. Auditors' Remuneration**

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

|  | <b>Consolidated Group</b> |             |
|--|---------------------------|-------------|
|  | <b>2022</b>               | <b>2021</b> |
|  | <b>\$</b>                 | <b>\$</b>   |
| Audit Services   |                           |             |
| Auditor's Remuneration, auditing or reviewing the financial reports: |                           |             |
| Group Auditors   | 58,000                    | 43,750      |
|  | 58,000                    | 43,750      |

**Note 8. Earnings Per Share**

|   |            |             |
|---|------------|-------------|
| A. Reconciliation of earnings to profit or loss:  |            |             |
| (Loss) / Profit   | (352,815)  | 1,185,332   |
| (Loss) / Profit attributable to non-controlling equity interest   |            |             |
| Earnings used to calculate basic EPS  | (352,815)  | 1,185,332   |
| Earnings used in the calculation of dilutive EPS  | (352,815)  | 1,185,332   |
| B. Reconciliation of earnings to profit or loss from continuing operations:                             |            |             |
| (Loss)/Profit from continuing operations  | (352,815)  | 1,185,332   |
| Profit attributable to non-controlling equity interest in respect of continuing operations              |            |             |
| Earnings used to calculate basic EPS from continuing operations   | (352,815)  | 1,185,332   |
| Earnings used in the calculation of dilutive EPS from continuing operations                             | (352,815)  | 1,185,332   |
|   | <b>No.</b> | <b>No.</b>  |
| C. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS | 78,892,748 | 803,346,086 |
| Weighted average number of dilutive options outstanding   | 1,100,476  | 6,183,814   |
| Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS | 79,993,224 | 809,529,900 |

**Note 9. Cash and Cash Equivalents**

|                          | <b>Consolidated Group</b> |             |
|--------------------------|---------------------------|-------------|
|                          | <b>2022</b>               | <b>2021</b> |
|                          | <b>\$</b>                 | <b>\$</b>   |
| Cash at bank and in hand | 18,923                    | 205,263     |
|                          | 18,923                    | 205,263     |

**Note 10. Trade and Other Receivables**

|                                    | <b>Consolidated Group</b> |             |
|------------------------------------|---------------------------|-------------|
|                                    | <b>2022</b>               | <b>2021</b> |
|                                    | <b>\$</b>                 | <b>\$</b>   |
| <b>Current</b>                     |                           |             |
| Other receivables                  | 9,332                     | -           |
| <b>Trade and other receivables</b> | 9,332                     | -           |

**Credit Risk — Trade and Other Receivables**

The Group has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Group.

**Note 11. Controlled Entities**

**Controlled Entities Consolidated**

| Name of Entity  | Country of Incorporation | Ownership Interest |           |
|---|--------------------------|--------------------|-----------|
|   |                          | 2022<br>%          | 2021<br>% |
| <b>Parent Entity:</b><br>Impelus Limited  | Australia                |                    |           |
| <b>Subsidiaries of Impelus Limited:</b><br>Global One Mobile Entertainment Pty Ltd (Deregistered) | Australia                | -                  | 100       |
| Impelus APAC Pty Ltd (formerly Marketing Punch Pty Ltd) (Deregistered)                            | Australia                | -                  | 100       |

**Note 12. Intangible Assets**

|                                   | Consolidated Group |             |
|-----------------------------------|--------------------|-------------|
|                                   | 2022<br>\$         | 2021<br>\$  |
| <b>Continued Operations</b>       |                    |             |
| Software development              | -                  | 9,396,607   |
| Accumulated amortisation          | -                  | (8,979,288) |
| Provision for Impairment          | -                  | (417,319)   |
| <b>Net carrying value</b>         | -                  | -           |
| Content and web development costs | -                  | 74,649      |
| Accumulated amortisation          | -                  | (74,649)    |
| <b>Net carrying value</b>         | -                  | -           |
| <b>Discontinued Operations</b>    |                    |             |
| Software systems                  | -                  | 11,911,040  |
| Accumulated amortisation          | -                  | (9,059,686) |
| Provision for Impairment          | -                  | (1,046,972) |
| Disposal                          | -                  | (1,461,385) |
| Proceeds from Sales of Assets     | -                  | (200,000)   |
| Foreign Exchange Difference       | -                  | (142,997)   |
| <b>Net carrying value</b>         | -                  | -           |
| <b>Total Intangibles</b>          | -                  | -           |

**Note 12. Intangible Assets (Continued)**  
**Movements in Carrying Amounts**

Movement in the carrying amount for each class of intangible assets between the beginning and the end of the current year.

| <b>Consolidated Group:</b>             | <b>Software and<br/>Development<br/>\$</b> | <b>Total<br/>\$</b> |
|--|--|---------------------|
| <b>Year ended 30 June 2021</b>         |  |                     |
| Balance at the beginning of the year   | 3,378,900                                  | 3,378,900           |
| <b>Additions: external acquired</b>    |  |                     |
| Software                               | -  | -                   |
| <b>Additions: internally developed</b> |  |                     |
| Software                               | 179,635                                    | 179,635             |
| Disposals                              | (2,217,552)                                | (2,217,552)         |
| FX Difference                          | 181,129                                    | 181,129             |
| Amortisation / impairment              | (1,522,112)                                | (1,522,112)         |
|  | <hr/>                                      | <hr/>               |
|  | -  | -                   |
| <b>Year ended 30 June 2022</b>         |  |                     |
| Balance at the beginning of the year   | -  | -                   |
| <b>Additions: external acquired</b>    |  |                     |
| Software                               | -  | -                   |
| <b>Additions: internally developed</b> |  |                     |
| Software                               | -  | -                   |
| Disposals                              | -  | -                   |
| FX Difference                          | -  | -                   |
| Amortisation / impairment              | -  | -                   |
|  | <hr/>                                      | <hr/>               |
|  | -  | -                   |

**Impairment Testing for Intangible Assets**

The recoverable amounts of the cash generating units were determined based on the value-in-use calculations covering a detailed five-year forecast, followed by an extrapolation of expected cash flows for the units remaining useful lives using the growth rates determined by management. The present value of the expected cash flows for this segment is determined by applying a suitable discount rate.

Management has determined the recoverable value of the intangible assets is nil as at 30 June 2022.



### Note 13. Plant and Equipment

|                                  | Consolidated Group |           |
|----------------------------------|--------------------|-----------|
|                                  | 2022               | 2021      |
|                                  | \$                 | \$        |
| <b>Continued Operations</b>      |                    |           |
| <b>Computer equipment</b>        |                    |           |
| At cost                          | -                  | 719,359   |
| Accumulated depreciation         | -                  | (718,478) |
| Disposal                         | -                  | (881)     |
|                                  | -                  | -         |
| <b>Furniture and fittings</b>    |                    |           |
| At cost                          | -                  | 341,404   |
| Accumulated depreciation         | -                  | (322,588) |
| Disposal                         | -                  | (18,816)  |
|                                  | -                  | -         |
| <b>Leasehold improvements</b>    |                    |           |
| At cost                          | -                  | 1,044,500 |
| Accumulated depreciation         | -                  | (974,022) |
| Disposal                         | -                  | (70,478)  |
|                                  | -                  | -         |
| <b>Discontinued Operations</b>   |                    |           |
| <b>Plant and Equipment</b>       |                    |           |
| At cost                          | -                  | 305,757   |
| Accumulated depreciation         | -                  | (296,562) |
| Disposal                         | -                  | (9,195)   |
|                                  | -                  | -         |
| <b>Total plant and equipment</b> | -                  | -         |

### Movements in Carrying Amounts

Movements in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

| Consolidated Group:                  | Computer<br>Equipment<br>\$ | Furniture and<br>Fittings<br>\$ | Leasehold<br>Improvements<br>\$ | Other<br>\$ | Total<br>\$ |
|--------------------------------------|-----------------------------|---------------------------------|---------------------------------|-------------|-------------|
| Balance at 1 July 2020               | 10,667                      | 55,213                          | 178,013                         | -           | 243,893     |
| Additions                            | 2,639                       | -                               | -                               | -           | 2,639       |
| Disposals                            | (7,628)                     | (18,315)                        | (70,971)                        | -           | (96,914)    |
| Depreciation expense                 | (5,678)                     | (36,898)                        | (107,042)                       | -           | (149,618)   |
| <b>Closing value at 30 June 2021</b> | -                           | -                               | -                               | -           | -           |
| Balance at 1 July 2021               | -                           | -                               | -                               | -           | -           |
| Additions                            | -                           | -                               | -                               | -           | -           |
| Disposals                            | -                           | -                               | -                               | -           | -           |
| Depreciation expense                 | -                           | -                               | -                               | -           | -           |
| <b>Closing value at 30 June 2022</b> | -                           | -                               | -                               | -           | -           |

#### Note 14. Trade and Other Payables

|                                      | Consolidated  |                |
|--------------------------------------|---------------|----------------|
|                                      | 2022          | 2021           |
|                                      | \$            | \$             |
| <b>Current</b>                       |               |                |
| Trade Payables                       | 51,489        | 61,900         |
| Sundry payables and accrued expenses | -             | 51,833         |
|                                      | <b>51,489</b> | <b>113,733</b> |

#### Note 15. Borrowings

|                  |               |   |
|------------------|---------------|---|
| <b>Current</b>   |               |   |
| Director's Loan  | 30,000        | - |
| Accrued Interest | 19            | - |
|                  | <b>30,019</b> | - |

#### Note 16. Deferred Tax

| Consolidated Group:   | Opening Balance<br>1 July 2021 | Charged to<br>Income | Charged to<br>Equity | Prior Year<br>Adjustment | Closing<br>Balance<br>30 June 2022 |
|---|--------------------------------|----------------------|----------------------|--------------------------|------------------------------------|
| <b>Deferred Tax</b>   |                                |                      |                      |                          |                                    |
| Accrued Expenses  | -                              | -                    | -                    | -                        | -                                  |
| Fixed Assets  | -                              | -                    | -                    | -                        | -                                  |
| Provisions  | -                              | -                    | -                    | -                        | -                                  |
| Share issue costs   | -                              | -                    | -                    | -                        | -                                  |
| Losses  | -                              | -                    | -                    | -                        | -                                  |
|   | -                              | -                    | -                    | -                        | -                                  |
| Deferred Tax Assets not brought to account include the following: |                                |                      |                      |                          |                                    |
| <b>Capital losses:</b>  | -                              |                      |                      |                          | -                                  |

#### Note 17. Provisions

##### Short term employee benefits:

|  | Consolidated |               |
|--|--------------|---------------|
|  | 2022         | 2021          |
|  | \$           | \$            |
| Opening balance at beginning of financial year | 86,578       | 475,161       |
| Additional provisions                          | -            | 63,618        |
| Amounts used                                   | -            | (13,624)      |
| Write-off under DOCA                           | (86,578)     | (438,577)     |
| <b>Balance at end of financial year</b>        | <b>-</b>     | <b>86,578</b> |

##### Short term Provisions:

##### Analysis of total provisions

|                                  |          |               |
|----------------------------------|----------|---------------|
| <b>Current</b>                   |          |               |
| Provision for employee benefits  | -        | 86,578        |
| Provision for bonus              | -        | -             |
| Employment related ATO provision | -        | (606)         |
| Income Tax Payable               | -        | -             |
| Benelong Deposit                 | -        | 10,000        |
| <b>Total</b>                     | <b>-</b> | <b>95,972</b> |

**Note 18. Issued Capital**

**Ordinary shares**

|  |                    |                    |
|--|--------------------|--------------------|
| 126,384,301 (2021: 803,346,086) fully paid ordinary shares | 51,194,042         | 50,896,338         |
|  | <b>No.</b>         | <b>No.</b>         |
| <b>A. Ordinary shares</b>                                  |                    |                    |
| At the beginning of the reporting period                   | 803,346,086        | 803,346,086        |
| Shares consolidation                                       | (796,360,468)      | -                  |
| Shares issued during the year                              | 119,398,683        | -                  |
| <b>At reporting date</b>                                   | <b>126,384,301</b> | <b>803,346,086</b> |

Options issued: During the financial year ending 30 June 2022: nil options were exercised at various exercise prices.

**A. Ordinary Shares**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the 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.

**B. Capital Management**

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern. The Group's debt and capital includes ordinary share capital, and financial liabilities, supported by financial assets.

**C. Options**

For information relating to the Impelus Limited employee option plan including details of options issued, exercised and lapsed during the financial year and the options outstanding at year-end, refer to Note 21.

For information relating to share options issued to Key Management personnel during the financial year, refer to Note 6: Interests of Key Management Personnel (**KMP**).

**Note 19. Reserves**

|                                      | <b>Consolidated Group</b> |             |
|--------------------------------------|---------------------------|-------------|
|                                      | <b>2022</b>               | <b>2021</b> |
|                                      | <b>\$</b>                 | <b>\$</b>   |
| <b>Other equity settled benefits</b> |                           |             |
| Opening balance                      | 38,887                    | 38,887      |
| Granted / exercised during the year  | -                         | -           |
| Forfeited during the year            | (38,887)                  | -           |
| Closing balance                      | -                         | 38,887      |
| At reporting date                    | -                         | 38,887      |

**Note 20. Cash Flow Information**

A. Reconciliation of Cash Flow (used in) / from operations with profit / (loss) after income tax

|   | <b>Consolidated Group</b> |             |
|---|---------------------------|-------------|
|   | <b>2022</b>               | <b>2021</b> |
|   | <b>\$</b>                 | <b>\$</b>   |
| (Loss)/Profit from ordinary activities after income tax     | (352,815)                 | 1,185,332   |
| Non-cash flows in profit / (loss) from ordinary activities: |                           |             |
| Depreciation  | -                         | 1,615,827   |
| Debt Forgiveness  | -                         | (7,265,849) |
| Impairment  | -                         | 131,079     |
| FX Gain   | -                         | (416,261)   |
| Employee entitlements written off                           | -                         | 13,624      |
| Decrease / (increase) in receivables                        | (9,332)                   | 806,619     |
| Decrease / (increase) in other current assets               | -                         | 1,282,529   |
| Decrease / (increase) in other assets                       | 6,300                     | (506,045)   |
| Increase / (decrease) in trade creditors                    | (62,245)                  | (1,650,997) |
| Increase / (decrease) in provisions                         | (95,952)                  | (335,772)   |
| Increase / (decrease) in current liabilities                | -                         | 4,703,520   |
| Increase / (decrease) in tax                                | -                         | (185,426)   |
| Cash flow (used in) operations                              | (514,044)                 | (621,820)   |

**Note 21. Share Based Payments**

- i. The following share-based payments were made during the financial year 2022: nil.
- ii. A summary of the movements of all companies' options issued is as follows:

|  | Number            | Weighted<br>Average<br>Exercise Price |
|--|-------------------|---------------------------------------|
| <b>Options outstanding as at 30 June 2010</b>      | <b>12,850,000</b> | <b>\$0.0619</b>                       |
| Granted  | -                 | -                                     |
| Forfeited  | (200,000)         | \$0.0375                              |
| Exercised  | -                 | -                                     |
| Expired  | (3,000,000)       | \$0.1128                              |
| <b>Options outstanding as at 30 June 2011</b>      | <b>9,650,000</b>  | <b>\$0.0466</b>                       |
| Granted  | 12,800,000        | \$0.0203                              |
| Forfeited  | -                 | -                                     |
| Exercised  | -                 | -                                     |
| Expired  | (6,650,000)       | \$0.0375                              |
| <b>Options outstanding as at 30 June 2012</b>      | <b>15,800,000</b> | <b>\$0.0295</b>                       |
| Granted  | 16,250,000        | \$0.0130                              |
| Forfeited  | (3,000,000)       | \$0.0688                              |
| Exercised  | -                 | -                                     |
| <b>Options outstanding as at 30 June 2013</b>      | <b>29,050,000</b> | <b>\$0.0393</b>                       |
| Granted  | 9,225,000         | \$0.0224                              |
| Forfeited  | -                 | -                                     |
| Exercised  | (15,200,000)      | \$0.0201                              |
| <b>Options exercisable as at 30 June 2014</b>      | <b>23,075,000</b> | <b>\$0.0129</b>                       |
| Granted  | 19,197,334        | \$0.1618                              |
| Forfeited  | (550,000)         | \$0.0000                              |
| Exercised  | (8,565,000)       | \$0.0258                              |
| <b>Options exercisable as at 30 June 2015</b>      | <b>33,157,334</b> | <b>\$0.0985</b>                       |
| Granted  | 17,500,000        | \$0.3310                              |
| Forfeited  | -                 | -                                     |
| Exercised  | (6,077,500)       | \$0.0251                              |
| <b>Options exercisable as at 30 June 2016</b>      | <b>44,579,834</b> | <b>\$0.1817</b>                       |
| Granted  | -                 | -                                     |
| Forfeited  | (32,759,834)      | \$0.2075                              |
| Exercised  | (2,470,000)       | \$0                                   |
| <b>Options exercisable as at 30 June 2017</b>      | <b>9,350,000</b>  | <b>\$0.1897</b>                       |
| Granted  | 5,000,000         | \$0.0370                              |
| Forfeited  | (9,350,000)       | \$0                                   |
| Exercised  | -                 | \$0                                   |
| <b>Options exercisable as at 30 June 2018</b>      | <b>5,000,000</b>  | <b>\$0.1897</b>                       |
| Granted  | -                 | \$0                                   |
| Forfeited  | (3,000,000)       | \$0.39                                |
| Exercised  | -                 | \$0                                   |
| <b>Options exercisable as at 30 June 2019</b>      | <b>2,000,000</b>  | <b>\$0.037</b>                        |
| Granted Employee Options. Details refer to Note 22 | 8,000,000         | \$0.025                               |
| Forfeited  | (2,000,000)       | \$0.037                               |
| Expired Employee Options                           | (500,000)         | \$0                                   |
| <b>Options exercisable as at 30 June 2020</b>      | <b>7,500,000</b>  | <b>\$0.025</b>                        |
| Granted  | -                 | \$0                                   |
| Forfeited  | (3,750,000)       | \$0.02                                |
| Exercised  | -                 | \$0                                   |
| <b>Options exercisable as at 30 June 2021</b>      | <b>3,750,000</b>  | <b>\$0.025</b>                        |
| Granted  | -                 | \$0                                   |
| Forfeited  | (3,750,000)       | \$0.025                               |
| Exercised  | -                 | \$0                                   |
| <b>Options exercisable as at 30 June 2022</b>      | <b>-</b>          | <b>-</b>                              |

## **Note 22. Options**

There were no options issued to staff during financial year ending 2022. During FY 2022, no options were canceled. No options have been exercised within FY 2022. 3,750,000 options were expired in FY 2022.

## **Note 23. Dividends**

|  | <b>Consolidated Group</b> |             |
|--|---------------------------|-------------|
|  | <b>2022</b>               | <b>2021</b> |
|  | <b>\$</b>                 | <b>\$</b>   |
| No dividends were provided for or paid   | -                         | -           |
| <b>Dividends franking account</b>  |                           |             |
| Balance of franking account at year end arising from payment of provision for income tax | 779,446                   | 779,446     |

The above available amounts are based on the balance of the dividend franking account at year-end, adjusted for franking credits that will arise from the payment of the amount of the provision for income tax.

## **Note 24. After Balance Date Events**

There are no matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Consolidated Group in future financial years.

## **Note 25. Related Party Transactions**

### **a. Related Parties**

- a) **Key management personnel**  
Any person(s) having authority and responsibility of planning, directing and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of that entity, are considered key management personnel.  
For details of disclosure relating to key management personnel, refer to Note 6.
- b) **Subsidiaries**  
Interest in subsidiaries are set out in Note 11.
- c) **Other related parties**  
Other related parties include entities over which key management personnel have joint control.

### **b. Transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

## **Note 26. Contingent Liabilities**

There are no contingent liabilities at balance date.

## **Note 27. Financial Risk Management**

The Group does not engage in any significant transactions that are speculative in nature. The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable, and loans to and from subsidiaries.

The Board of Directors monitor and manage financial risk exposures of the Group. The Board monitors the Group's financial risk management policies and exposures and approves financial transactions within the scope of its authority. It also reviews the effectiveness of internal controls relating to counter party credit risk, currency risk, financing risk and interest rate risk.

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets while minimising potential adverse effects on financial performance. The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and interest rate risk.

### **A. Interest Rate Risk**

The Consolidated Group's exposure to interest rate risk which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

| Consolidated Group          | Weighted Average Interest Rate % | Non-interest Bearing \$ | Fixed Interest Rate Maturing |                 | Floating Interest Rate \$ | Total \$ |
|-----------------------------|----------------------------------|-------------------------|------------------------------|-----------------|---------------------------|----------|
|                             |                                  |                         | 1 Year or Less \$            | 1 to 5 Years \$ |                           |          |
| <b>2022</b>                 |                                  |                         |                              |                 |                           |          |
| Financial assets:           |                                  |                         |                              |                 |                           |          |
| Cash and cash equivalents   | -                                | -                       | -                            | -               | 18,923                    | 18,923   |
| Trade and other receivables | -                                | 9,332                   | -                            | -               | -                         | 9,332    |
|                             |                                  | 9,332                   | -                            | -               | 18,923                    | 28,255   |
| Financial liabilities:      |                                  |                         |                              |                 |                           |          |
| Trade and other payables    | -                                | 51,489                  | -                            | -               | -                         | 51,489   |
| Director's Loan             | 8                                | -                       | 30,019                       | -               | -                         | 30,019   |
|                             |                                  | 51,489                  | 30,019                       | -               | -                         | 81,508   |
|                             | Weighted Average Interest Rate % | Non-interest Bearing \$ | Fixed Interest Rate Maturing |                 | Floating Interest Rate \$ | Total \$ |
|                             |                                  |                         | 1 Year or Less \$            | 1 to 5 Years \$ |                           |          |
| <b>2021</b>                 |                                  |                         |                              |                 |                           |          |
| Financial assets:           |                                  |                         |                              |                 |                           |          |
| Cash and cash equivalents   | -                                | -                       | -                            | -               | 205,263                   | 205,263  |
| Trade and other receivables | -                                | -                       | -                            | -               | -                         | -        |
|                             | -                                | -                       | -                            | -               | 205,263                   | 205,263  |
| Financial liabilities:      |                                  |                         |                              |                 |                           |          |
| Trade and other payables    | -                                | 113,733                 | -                            | -               | -                         | 113,733  |
|                             | -                                | 113,733                 | -                            | -               | -                         | 113,733  |

### **B. Credit Risk**

The maximum exposure to credit risk by class of recognised financial assets at balance date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

### **C. Net Fair Values**

The carrying value of financial assets and financial liabilities recorded in the statement of financial position approximates their respective net fair values. Fair values are determined by reference to standard terms and conditions, quoted market prices, where available, or discounting expected future cash flows.

**Note 27. Financial Risk Management (Continued)**

**D. Liquidity Risk**

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- using derivatives that are only traded in highly liquid markets;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities. Financial guarantee liabilities are treated as payable on demand since the Group has no control over the timing of any potential settlement of the liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

| Consolidated Group                                | Within 1 Year |            | 1 to 5 Years |            | Total      |            |
|---|---------------|------------|--------------|------------|------------|------------|
|   | 2022<br>\$    | 2021<br>\$ | 2022<br>\$   | 2021<br>\$ | 2022<br>\$ | 2021<br>\$ |
| Loans   | -             | -          | -            | -          | -          | -          |
| Trade and other payables                          | 51,489        | 113,733    | -            | -          | 51,489     | 113,733    |
| Director's Loan                                   | 30,019        | -          | -            | -          | 30,019     | -          |
| Total contractual outflows                        | 81,508        | 113,733    | -            | -          | 81,508     | 113,733    |
| <b>Financial assets – cash flows realisable</b>   |               |            |              |            |            |            |
| Cash & cash equivalents                           | 18,923        | 205,263    | -            | -          | 18,923     | 205,263    |
| Trade & loan receivables                          | 9,332         | -          | -            | -          | 9,332      | -          |
| Total anticipated inflows                         | 28,255        | 205,263    | -            | -          | 28,255     | 205,263    |
| Net (outflows) / inflows on financial instruments | (53,253)      | 91,530     | -            | -          | (53,253)   | 91,530     |

**E. Market Risk**

i. Interest Rate Risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Group is also exposed to earnings volatility on floating rate instruments. The financial instruments that primarily expose the Group to interest rate risk are borrowings.

ii. Foreign Exchange Risk

Exposure to foreign exchange risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies which the Group holds financial instruments which are other than the AUD functional currency of the Group. With instruments being held overseas by overseas operations, fluctuations in the US dollar and UK pound sterling may impact on the Group's financial results.

**Note 28. Operating Segment**

There was one operating segment during the period which was Impelus Limited.



## Directors' Declaration

The directors of the Company declare that:

- A. the financial statements and notes, as set out on pages 13 to 40, are in accordance with the *Corporations Act 2001* and:
  - i. 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
  - ii. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the Consolidated Group;
- B. 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; and
- C. the directors have been given the declarations required by s295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

At the date of this declaration, there are reasonable grounds to believe that the members of the Group will be able to meet any obligations or liabilities to which they may become subject.

*RABoland*

Rodd Boland  
Non-Executive Chairman  
29 July 2022

## Shareholding information

Company: **IMPELUS LIMITED**

Top 20 as at 30 June 2022

ABN 24 089 805 416

| Rank   | Name   | Units              | % of Units   |
|--|--|--------------------|--------------|
| 1  | DWP NOMINEES PTY LTD <MURRAY COURTS INVESTMENTS A/C>     | 10,102,041         | 7.99         |
| 2  | RIYA INVESTMENTS PTY LTD                                 | 10,102,041         | 7.99         |
| 3  | KEFALLONIA KAPITAL PTY LTD                               | 10,102,041         | 7.99         |
| 4  | MR STEVEN HADJIFOTIS <HUDGIES FAMILY A/C>                | 10,102,041         | 7.99         |
| 5  | THREE ZEBRAS PTY LTD <JUDD FAMILY A/C>                   | 10,102,041         | 7.99         |
| 6  | MGL CORP PTY LTD   | 10,102,041         | 7.99         |
| 7  | JACKYBOY PTY LTD   | 9,900,000          | 7.83         |
| 8  | LILLUCY PTY LTD <LILYPILY SUPER FUND A/C>                | 6,061,225          | 4.8          |
| 9  | WILLBRIGHT PTY LTD <WILLBRIGHT INVESTMENTS A/C>          | 5,051,020          | 4            |
| 10   | CONSOLO INVESTMENT PTY LTD                               | 4,400,000          | 3.48         |
| 11   | CONSOLO INVESTMENTS PTY LTD <THE M & C CONSOLO FAM A/C>  | 4,242,857          | 3.36         |
| 12   | STEVEN REID INVESTMENTS PTY LTD <STEVEN REID FAMILY A/C> | 4,040,816          | 3.2          |
| 13   | MR PAUL ANTHONY BRYAN                                    | 4,040,816          | 3.2          |
| 14   | RENIK PENSION PLAN PTY LTD <RENIK PENSION PLAN A/C>      | 4,040,816          | 3.2          |
| 15   | ALLEKIAN EXCHANGE PTY LTD                                | 4,000,000          | 3.16         |
| 16   | MR EVAN GILL + MRS JENNIFER GILL <TINTAX SUPER FUND A/C> | 4,000,000          | 3.16         |
| 17   | MRS LESLEY LODGE   | 4,000,000          | 3.16         |
| 18   | BENELONG CAPITAL PARTNERS PTY LTD                        | 4,000,000          | 3.16         |
| 19   | MR BRENDAN THOMAS BIRTHISTLE                             | 1,239,509          | 0.98         |
| 20   | CONNAUGHT CONSULTANTS (FINANCE) PTY LTD <SUPER FUND A/C> | 1,090,691          | 0.86         |
| <b>Totals: Top 20 holders of IMS ORDINARY FULLY PAID</b> |  | <b>120,719,996</b> | <b>95.52</b> |
| <b>Total Remaining Holders Balance</b>                   |  | <b>5,664,305</b>   | <b>4.48</b>  |
| <b>Total Holders Balance</b>                             |  | <b>126,384,301</b> | <b>100</b>   |

## IMPELUS LIMITED

ABN 24 089 805 416

### TOP SPREAD REPORT

| SPREADS OF HOLDINGS       | NUMBER OF HOLDERS | NUMBER OF UNITS    | % OF TOTAL ISSUED CAPITAL |
|---------------------------|-------------------|--------------------|---------------------------|
| 1 - 1,000                 | 1,777             | 382,330            | 0.30%                     |
| 1,001 - 5,000             | 341               | 784,975            | 0.62%                     |
| 5,001 - 10,000            | 96                | 698,388            | 0.55%                     |
| 10,001 - 100,000          | 82                | 2,195,569          | 1.74%                     |
| 100,001 - 999,999,999,999 | 25                | 122,323,039        | 96.79%                    |
| <b>TOTAL</b>              | <b>2,321</b>      | <b>126,384,301</b> | <b>100%</b>               |



**INDEPENDENT AUDITOR'S REPORT TO THE OWNERS OF  
IMPELUS LIMITED AND CONTROLLED ENTITIES  
ABN 24 089 805 416**

## **Report on the Financial Report**

### **Opinion**

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

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

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

### **Basis for Opinion**

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (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.

### **Emphasis of Matter Related to Going Concern**

We draw attention to Note 1(R) in the financial report which indicates that the Group had net current liabilities of \$53,253 for the year ended 30 June 2022 and cash at bank reduced by \$186,340. These conditions along with the difficulties in forecasting future cash flows as a result of the Covid-19 business environment and return to normal business activity indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

## 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 for the year ended 30 June 2022. 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  |
|--|---|
| <p><b>Going Concern</b></p> <p>Following operating losses and cash flow deficits, there is a heightened degree of judgement as to the Group’s ability to continue as a going concern through the assessment period. Accordingly, we considered the appropriateness of the going concern assumption, the question as to whether there is a material uncertainty and the adequacy of management’s disclosure to be a key risk.</p> | <p>We have challenged the key assumptions in management’s forecast cash flows for the next 12 months (base case and downside possibilities) by:</p> <ul style="list-style-type: none"> <li>• Comparing the cash flow forecasts with the Board approved budget, and obtaining explanations for any significant differences;</li> <li>• Assessing the historical accuracy of forecasts prepared by management;</li> <li>• Testing the mechanical accuracy of the model used;</li> <li>• Performing stress tests for a range of reasonably possible scenarios on management’s cash flow for the going concern period;</li> <li>• Challenging management’s plans for mitigating any identified exposures, obtain additional sources of Financing;</li> <li>• Consideration of COVID-19 impacts to managements assumptions in regard to future revenue forecasts, especially the uncertainty of general economic conditions and return to normal business activity and</li> <li>• Considering whether the disclosures relating to going concern referred to in the basis of preparation section of the accounting policies are balanced, proportionate and clear.</li> </ul> |

There were no restrictions on our reporting of Key Audit Matters.

## Information Other than the Financial Report and Auditor’s Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Group’s annual report for the year ended 30 June 2022, but does not include the financial report and our auditor’s report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection

with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Directors for the Financial Report**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

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

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

auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on the Remuneration Report**

We have audited the remuneration report included in the directors' report for the year ended 30 June 2022.

In our opinion, the remuneration report of Impelus Limited for the year ended 30 June 2022 complies with s 300A of the *Corporations Act 2001*.

### **Responsibilities**

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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 29<sup>th</sup> July 2022