

My Foodie Box Pty Ltd

ABN: 62 622 021 265

Financial report

For the year ended 30 June 2020

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MY FOODIE BOX PTY LTD

ABN: 62 622 021 265

DIRECTORS' REPORT

The directors present their report together with the financial report of My Foodie Box Pty Ltd, the "company", for the year ended 30 June 2020 and auditor's report thereon.

Directors names

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

Parisrat Hughes

Bryan Hughes

Guy Perkins (appointed 08.09.2021)

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

Results

The loss of the company for the year after providing for income tax amounted to \$357,701 (2019: \$349,058).

Review of operations

The company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

Significant changes in state of affairs

There were no significant changes in the company's state of affairs that occurred during the financial year, other than those referred to elsewhere in this report.

Principal activities

The principal activity of the company during the year was the development, preparation and delivery of meal kits to WA households, specialising in locally sourced, pre-portioned ingredients.

No significant change in the nature of these activities occurred during the year.

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DIRECTORS' REPORT

After balance date events

Particulars of matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years are as follows:

During May 2021, the company issued 375,000 Convertible Notes at a price of \$1 each, raising \$375,000. The convertible notes issued were to fund the costs of an Initial Public Offering ("IPO") and provide working capital.

Convertible Notes are interest free and will automatically convert into fully paid ordinary shares at a conversion price equal to 50% of the IPO price. Noteholders will also receive 2 options for every 1 share they are issued, with an exercise price equal to 150% of the IPO price and expiring 4 years from the date of their issue.

Should the company not complete an IPO, the convertible notes are due for repayment on 31 December 2021.

In June 2021, the company submitted an In-Principle Advice to the Australian Securities Exchange ("ASX") in connection with its suitability for admission to the official list of the ASX. The company is currently working towards an IPO which is expected to take place November 2021.

During July - September 2021, the company issued a further 325,000 Convertible Notes on the same terms and conditions as those detailed above to raise a further \$325,000.

Likely developments

The company expects to maintain the present status and level of operations.

Environmental regulation

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

Dividends paid, recommended and declared

No dividends were paid or declared since the start of the year. No recommendation for payment of dividends has been made.

Options

No options over unissued shares or interests in the company were granted during or since the end of the year and there were no options outstanding at the end of the year.

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DIRECTORS' REPORT

Indemnification of officers

During or since the end of the year, the company has given indemnity or entered an agreement to indemnify, or paid or agreed to pay insurance premiums in order to indemnify the directors of the company against any liability including directors and officers liability, organisation liability, legal representation expenses, employment practices and other statutory liabilities including crime, and extortion coverage.

Further disclosure is prohibited under the terms of the contract.

Indemnification of auditors


No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the company.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

Signed in accordance with a resolution of the Board of Directors.

Director:



Bryan Hughes

Dated this 20

day of October

2021

MY FOODIE BOX PTY LTD
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue and other income			
Revenue from contracts with customers	4	1,343,155	245,928
Other revenue		81,929	358,738
Other income		<u>18,964</u>	<u>-</u>
		<u>1,444,048</u>	<u>604,666</u>
Less: expenses			
Materials and consumables used	5	(666,196)	(148,955)
Transport expense		(55,359)	(1,128)
Depreciation and amortisation expense	5	(37,441)	(44,817)
Employee benefits expense		(544,561)	(500,864)
IT expenses		(25,579)	(28,379)
Occupancy expense		(67,657)	(40,440)
Advertising expense		(148,476)	(61,394)
Finance costs	5	(85,211)	(53,332)
Other expenses		<u>(171,269)</u>	<u>(74,415)</u>
		<u>(1,801,749)</u>	<u>(953,724)</u>
Loss before income tax expense		(357,701)	(349,058)
Other comprehensive loss for the year		<u>-</u>	<u>-</u>
Total comprehensive loss		<u>(357,701)</u>	<u>(349,058)</u>

The accompanying notes form part of these financial statements.

MY FOODIE BOX PTY LTD
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STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	2020 \$	2019 \$
Current assets			
Cash and cash equivalents	6	20,902	28,662
Other receivables	7	14,876	21,075
Other assets	10	<u>-</u>	<u>125,842</u>
Total current assets		<u>35,778</u>	<u>175,579</u>
Non-current assets			
Intangible assets	9	40,384	51,131
Property, plant and equipment	8	<u>99,602</u>	<u>118,937</u>
Total non-current assets		<u>139,986</u>	<u>170,068</u>
Total assets		<u>175,764</u>	<u>345,647</u>
Current liabilities			
Trade and other payables	12	272,651	91,625
Borrowings	13	119,748	99,029
Provisions	14	<u>23,201</u>	<u>15,769</u>
Total current liabilities		<u>415,600</u>	<u>206,423</u>
Non-current liabilities			
Payables	12	465,262	424,371
Borrowings	13	<u>85,701</u>	<u>147,951</u>
Total non-current liabilities		<u>550,963</u>	<u>572,322</u>
Total liabilities		<u>966,563</u>	<u>778,745</u>
Net assets		<u>(790,799)</u>	<u>(433,098)</u>
Equity			
Share capital	15	100	100
Accumulated losses		<u>(790,899)</u>	<u>(433,198)</u>
Total equity		<u>(790,799)</u>	<u>(433,098)</u>

The accompanying notes form part of these financial statements.

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STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Share capital	Accumulated	Total equity
	\$	losses	\$
		\$	
Balance as at 1 July 2018	100	(84,140)	(84,040)
Loss for the year	-	<u>(349,058)</u>	<u>(349,058)</u>
Total comprehensive loss for the year	-	<u>(349,058)</u>	<u>(349,058)</u>
Balance as at 1 July 2019	100	(433,198)	(433,098)
Loss for the year	-	<u>(357,701)</u>	<u>(357,701)</u>
Total comprehensive loss for the year	-	<u>(357,701)</u>	<u>(357,701)</u>
Balance as at 30 June 2020	<u>100</u>	<u>(790,899)</u>	<u>(790,799)</u>

The accompanying notes form part of these financial statements.

MY FOODIE BOX PTY LTD
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Cash flow from operating activities			
Receipts from customers		1,360,070	245,928
Payments to suppliers and employees		(1,252,260)	(544,988)
Finance costs paid		<u>(66,680)</u>	<u>(36,136)</u>
Net cash provided by / (used in) operating activities	16(b)	<u>41,130</u>	<u>(335,196)</u>
Cash flow from investing activities			
Payment for property, plant and equipment		<u>(7,359)</u>	<u>(57,969)</u>
Net cash used in investing activities		<u>(7,359)</u>	<u>(57,969)</u>
Cash flow from financing activities			
Proceeds from borrowings		-	303,980
Repayment of borrowings		<u>(41,531)</u>	<u>-</u>
Net cash (used in) / provided by financing activities		<u>(41,531)</u>	<u>303,980</u>
Reconciliation of cash			
Cash at beginning of the financial year		28,662	117,847
Net decrease in cash held		<u>(7,760)</u>	<u>(89,185)</u>
Cash at end of financial year	16(a)	<u>20,902</u>	<u>28,662</u>

The accompanying notes form part of these financial statements.

MY FOODIE BOX PTY LTD

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**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The directors have determined that the company is not a reporting entity on the basis that, in the opinion of the directors, there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy, specifically, all of their information needs. Accordingly, this financial report is a special purpose financial report, which has been prepared for use by the directors and members of the company.

The financial report covers My Foodie Box Pty Ltd as an individual entity. My Foodie Box Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. My Foodie Box Pty Ltd is a for-profit entity for the purpose of preparing the financial statements.

The financial report was approved by the directors as at the date of the directors' report.

The financial report has been prepared in accordance with the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of:

AASB 101:	Presentation of Financial Statements
AASB 107:	Statement of Cash Flows
AASB 108:	Accounting Policies, Changes in Accounting Estimates and Errors
AASB 112:	Income Taxes
AASB 1054:	Australian Additional Disclosures

The following specific accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this financial report:

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets and liabilities as described in the accounting policies.

Significant accounting estimates and judgements

The preparation of the financial report requires the use of certain estimates and judgements in applying the company's accounting policies. Those estimates and judgements significant to the financial report are disclosed in Note 3 to the financial statements.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) New and revised accounting standards effective at 30 June 2020

AASB 16: Leases

AASB 16: Leases ("AASB 16") replaced AASB 117: Leases and introduces a single lessee accounting model that will require a lessee to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Right-of-use assets are initially measured at their cost and lease liabilities are initially measured on a present value basis. Subsequent to initial recognition:

(a) right-of-use assets are accounted for on a similar basis to non-financial assets, whereby the right-of-use asset is accounted for in accordance with a cost model unless the underlying asset is accounted for on a revaluation basis, in which case if the underlying asset is:

- i. investment property, the lessee applies the fair value model in AASB 140: Investment Property to the right-of-use asset; or
- ii. property, plant or equipment, the lessee can elect to apply the revaluation model in AASB 116: Property, Plant and Equipment to all of the right-of-use assets that relate to that class of property, plant and equipment; and

(b) lease liabilities are accounted for on a similar basis as other financial liabilities, whereby interest expense is recognised in respect of the liability and the carrying amount of the liability is reduced to reflect lease payments made.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117.

In accordance with the transition requirements of AASB 16, the company has elected to apply AASB 16 retrospectively to those contracts that were previously identified as leases under the predecessor standard, with the cumulative effect of initially applying the new standard recognised at the beginning of the current reporting period (i.e. at 1 July 2019). Accordingly, comparative information has not been restated.

The adoption of AASB 16 did not have a material impact on the company as it was not party to any material leases.

(c) Going concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The company incurred a loss from ordinary activities of \$357,701 for the year ended 30 June 2020. As at that date, the Company had net current liabilities of \$379,822 and net liabilities of \$790,799.

The factors above indicate a material uncertainty which may cast significant doubt as to whether the company will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Going concern (Continued)

The ability of the company to continue as a going concern is primarily dependent on securing additional funding through the issue of additional equity securities.

Subsequent to year end, the company raised \$700,000 through the issue of 700,000 Convertible Notes.

The company is also currently in the process of undertaking an Initial Public Offering ("IPO") in order to raise at least \$5,500,000 before costs. The IPO will ensure the company has sufficient working capital available over the next 12 months from the date of the directors' report.

The directors therefore believe it is reasonably foreseeable that the company will be continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company does not continue as a going concern.

(d) Revenue from contracts with customers

The company derives revenue from the sale of meal kits and other household staple grocery items to its customers. Revenue is recognised when goods are transferred to customers and is measured at an amount that reflects the consideration received and to which the company expects to be entitled in exchange for the goods delivered.

(e) Government grants

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to depreciable assets are credited to deferred income and are recognised in profit or loss over the period and in the proportions in which depreciation expense on those assets is recognised.

Government grants include amounts received or receivable under the Federal Government's Cash Flow Boost Scheme, which provides a temporary subsidy to eligible businesses significantly affected by coronavirus (Covid-19).

(f) Employee benefits

(i) Short-term employee benefit obligations

Liabilities arising in respect of wages and salaries, annual leave and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Employee benefits (Continued)

(ii) Long-term employee benefit obligations

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover, and are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating to the terms of the related obligation. For currencies in which there is no deep market in such high quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the change occurs.

Other long-term employee benefit obligations are presented as current liabilities in the statement of financial position if the company does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur. All other long-term employee benefit obligations are presented as non-current liabilities in the statement of financial position.

(g) Goods and services tax (GST)

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(h) Income tax

Current income tax expense or revenue is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognised for temporary differences at the applicable tax rates when the assets are expected to be recovered or liabilities are settled. Deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not recognised if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Income tax (Continued)

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(i) Cash and cash equivalents

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

(j) Inventories

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

(k) Property, plant and equipment

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

Plant and equipment

Plant and equipment is measured at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation

Land is not depreciated. The depreciable amount of all other property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held available for use, consistent with the estimated consumption of the economic benefits embodied in the asset.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Class of fixed asset	Useful lives	Depreciation basis
Plant and equipment at cost	4-20 years	Diminishing value
Motor vehicles at cost	12 years	Diminishing value
Office equipment at cost	5-10 years	Diminishing value
Computer equipment at cost	2-4 years	Diminishing value

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Intangible assets

IT software development costs

Costs incurred in developing IT software are initially recognised as an asset, and are subsequently amortised over their estimated useful lives commencing from the time the asset is available for use. The amortisation method applied to an intangible asset is consistent with the estimated consumption of economic benefits of the asset. Subsequent to initial recognition, IT software development costs recognised as an intangible asset are measured at cost, less accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised over a useful life of 5 years on a straight line basis.

(m) Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of 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 adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Classification of financial liabilities

Financial liabilities classified as held-for-trading, contingent consideration payable by the company for the acquisition of a business, and financial liabilities designated at fair value through profit or loss (FVtPL), are subsequently measured at fair value.

All other financial liabilities recognised by the company are subsequently measured at amortised cost.

Trade and other receivables

Trade and other receivables arise from the company's transactions with its customers and are normally settled within 30 days.

Consistent with both the company's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Provisions

Provisions are recognised when the company has a 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.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

NOTE 2: ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the company. The company has decided not to early adopt any of these new and amended pronouncements. The company's assessment of the new and amended pronouncements that are relevant to the company but applicable in future reporting periods is set out below.

AASB 2020-1: Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current (applicable for annual reporting periods commencing on or after 1 January 2023)

AASB 2020-1 amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current.

AASB 2020-1 mandatorily applies to annual reporting periods commencing on or after 1 January 2022 and will be first applied by the company in the financial year commencing 1 July 2022.

The directors of the company has not yet determined the likely impact of the initial application of this standard on its financial statements.

NOTE 3: SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

(a) Income tax

Deferred tax assets and liabilities are based on the assumption that no adverse change will occur in the income tax legislation and the anticipation that the company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Deferred tax assets have not been recognised as at 30 June 2020, given the uncertainty around the company and its operations were only established on 2 October 2017 and are still within a period of significant growth and expansion, which carried with it a degree of uncertainty around their near term utilisation.

MY FOODIE BOX PTY LTD

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 4: REVENUE FROM CONTRACTS WITH CUSTOMERS		
Revenue from contracts with customers - at a point in time		
Sale of goods	1,343,155	245,928

	2020	2019
	\$	\$
NOTE 5: OPERATING PROFIT		
Loss before income tax has been determined after:		
Materials and consumables used	666,196	148,955
Finance costs - interest expense	85,211	53,332
Depreciation and amortisation	37,441	44,817
Foreign currency translation gains	(2,050)	-
Research and development costs	4,211	3,532
Employee benefits:		
- Short term benefits	500,736	448,036
- Superannuation guarantee contributions	47,213	41,694
- Other employee benefits	<u>(3,388)</u>	<u>11,134</u>
	<u>544,561</u>	<u>500,864</u>

	2020	2019
	\$	\$
NOTE 6: CASH AND CASH EQUIVALENTS		
Cash on hand	100	100
Cash at bank	<u>20,802</u>	<u>28,562</u>
	<u>20,902</u>	<u>28,662</u>

	2020	2019
	\$	\$
NOTE 7: RECEIVABLES		
CURRENT		
Other receivables		
- GST Input Credits	14,066	11,945
- Other debtors	810	9,130
	14,876	21,075

MY FOODIE BOX PTY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 8: PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
Warehouse equipment	35,845	32,719
Accumulated depreciation	<u>(11,094)</u>	<u>(6,725)</u>
	24,751	25,994
Commercial kitchen	56,015	56,015
Accumulated depreciation	<u>(15,586)</u>	<u>(9,346)</u>
	40,429	46,669
Motor vehicles at cost	18,173	17,264
Accumulated depreciation	<u>(5,413)</u>	<u>(3,035)</u>
	12,760	14,229
Office equipment at cost	32,069	32,069
Accumulated depreciation	<u>(16,016)</u>	<u>(9,427)</u>
	16,053	22,642
Computer equipment at cost	29,417	27,002
Accumulated depreciation	<u>(23,808)</u>	<u>(17,599)</u>
	<u>5,609</u>	<u>9,403</u>
Total property, plant and equipment	<u><u>99,602</u></u>	<u><u>118,937</u></u>

(a) Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year

<i>Warehouse equipment</i>		
Opening carrying amount	25,994	24,808
Additions	3,126	6,918
Depreciation expense	<u>(4,369)</u>	<u>(5,732)</u>
Closing carrying amount	<u><u>24,751</u></u>	<u><u>25,994</u></u>

MY FOODIE BOX PTY LTD

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Reconciliations (Continued)

	2020	2019
	\$	\$
<i>Commercial kitchen</i>		
Opening carrying amount	46,669	53,393
Additions	-	450
Depreciation expense	<u>(6,240)</u>	<u>(7,174)</u>
Closing carrying amount	<u>40,429</u>	<u>46,669</u>
<i>Motor vehicles</i>		
Opening carrying amount	14,229	17,075
Additions	909	-
Depreciation expense	<u>(2,378)</u>	<u>(2,846)</u>
Closing carrying amount	<u>12,760</u>	<u>14,229</u>
<i>Office equipment</i>		
Opening carrying amount	22,642	24,154
Additions	-	6,657
Depreciation expense	<u>(6,589)</u>	<u>(8,169)</u>
Closing carrying amount	<u>16,053</u>	<u>22,642</u>
<i>Computer equipment</i>		
Opening carrying amount	9,403	20,271
Additions	2,415	3,914
Depreciation expense	<u>(6,209)</u>	<u>(14,782)</u>
Closing carrying amount	<u>5,609</u>	<u>9,403</u>

MY FOODIE BOX PTY LTD

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 9: INTANGIBLE ASSETS		
Website development	58,306	57,397
Accumulated amortisation	<u>(17,922)</u>	<u>(6,266)</u>
	<u>40,384</u>	<u>51,131</u>

Capitalised website development costs relate to the development the company's online sales platform.

	2020	2019
	\$	\$

(a) Reconciliations

Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year

Sales, procurement and logistics platform at cost

Opening balance	51,131	17,215
Additions	909	40,030
Amortisation	<u>(11,656)</u>	<u>(6,114)</u>
Closing balance	<u>40,384</u>	<u>51,131</u>

Amortisation expense in relation to intangible assets has been recognised in depreciation and amortisation expenses within profit or loss.

	2020	2019
	\$	\$

NOTE 10: OTHER ASSETS

Unpaid present trust entitlements		
Post 16th December 2009 - Director related entity	<u>-</u>	<u>125,842</u>

	2020	2019
	\$	\$

NOTE 11: INCOME TAX

(a) Components of tax expense

Current tax	-	-
Deferred tax	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

MY FOODIE BOX PTY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 11: INCOME TAX (CONTINUED)

	2020	2019
	\$	\$
(b) Income tax reconciliation		
The prima facie tax payable on profit before income tax is reconciled to the income tax expense as follows:		
Prima facie income tax payable on profit before income tax at 27.5% (2019: 27.5%)	(98,368)	(95,991)
Add tax effect of:		
- Other non-allowable items	<u>793</u>	<u>636</u>
	793	636
Less tax effect of:		
- Other non-assessable items	7,372	(14,570)
- Non-assessable government grants received	4,651	-
- Deferred tax assets not recognised	<u>(109,598)</u>	<u>(80,785)</u>
	<u>(97,575)</u>	<u>(95,355)</u>
(c) Current tax		
Current tax relates to the following:		
Current tax liabilities / (assets)	<u>-</u>	<u>-</u>
(d) Deferred tax		
Deferred tax relates to the following:		
The balance comprises:		
Tax losses carried forward	161,305	66,051
Employee benefits	6,380	4,336
Accruals	29,135	14,942
Business related costs	4,068	4,068
Inventory	12,520	14,412
Less Deferred tax assets not recognised	<u>(213,408)</u>	<u>(103,809)</u>
Net deferred tax liabilities	<u>-</u>	<u>-</u>
(e) Deferred tax assets not brought to account		
Temporary differences	52,103	37,758
Operating tax losses	<u>161,305</u>	<u>66,051</u>
	<u>213,408</u>	<u>103,809</u>

MY FOODIE BOX PTY LTD

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

	2020	2019
	\$	\$
NOTE 12: PAYABLES		
CURRENT		
<i>Unsecured liabilities</i>		
Trade creditors	202,631	37,317
Superannuation payable	15,230	8,271
PAYG Withholding payable	27,542	14,593
Other payables	8,547	17,749
Sundry payables	164	-
Accrued expenses	<u>18,537</u>	<u>13,695</u>
	<u>272,651</u>	<u>91,625</u>
NON CURRENT		
<i>Unsecured liabilities</i>		
Loan from related party	<u>465,262</u>	<u>424,371</u>

The loan from a related party provided by a related entity of a director. Interest of 9% per annum is payable on this loan which is due for repayment within 50 months from the initial utilisation date.

	2020	2019
	\$	\$
NOTE 13: BORROWINGS		
CURRENT		
<i>Secured liabilities</i>		
Secured loans	<u>119,748</u>	<u>99,029</u>
NON CURRENT		
<i>Secured liabilities</i>		
Secured loans	<u>85,701</u>	<u>147,951</u>

MY FOODIE BOX PTY LTD
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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 13: BORROWINGS (CONTINUED)

(a) Assets pledged as security

The company currently has loan facilities providing by banking, other financial institutions and seed capital providers. Plant and equipment received under finance arrangement from banking institutions are secured via a registered security interest prescribed under their relevant agreement.

All other loan facilities are secured via a registered GSA over all other plant and equipment of the company. In addition, a personal guarantee has been provided for amounts owing by one of the directors.

The interest rate on loan facilities provided to the company range from 9-20% per annum.

	Note	2020	2019
		\$	\$
NOTE 14: PROVISIONS			
CURRENT			
Employee benefits	(a)	23,201	15,769
(a) Aggregate employee benefits liability		23,201	15,769
		2020	2019
		\$	\$

NOTE 15: SHARE CAPITAL

Issued and paid-up capital			
100 (2019: 100) Fully Paid Ordinary shares		100	100
		2020	2019
		\$	\$

NOTE 16: CASH FLOW INFORMATION

(a) Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

Cash on hand		100	100
Cash at bank		20,802	28,562
		20,902	28,662

MY FOODIE BOX PTY LTD

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NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 16: CASH FLOW INFORMATION (CONTINUED)

	2020	2019
	\$	\$
(b) Reconciliation of cash flow from operations with loss after income tax		
Loss from ordinary activities after income tax	(357,701)	(349,058)
Adjustments and non-cash items		
Depreciation	37,441	44,817
Trust distribution not received in cash	(81,928)	(358,738)
Changes in operating assets and liabilities		
Decrease in other assets	132,041	4,986
Increase in payables	303,845	314,838
Increase in provisions	<u>7,432</u>	<u>7,959</u>
Cash flows from operating activities	<u>41,130</u>	<u>(335,196)</u>

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

Particulars of matters or circumstances that have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations or the state of affairs of the company in future financial years are as follows:

During May 2021, the company issued 375,000 Convertible Notes at a price of \$1 each, raising \$375,000. The convertible notes issued were to fund the costs of an Initial Public Offering ("IPO") and provide working capital.

Convertible Notes are interest free and will automatically convert into fully paid ordinary shares at a conversion price equal to 50% of the IPO price. Noteholders will also receive 2 options for every 1 share they are issued, with an exercise price equal to 150% of the IPO price and expiring 4 years from the date of their issue.

Should the company not complete an IPO, the convertible notes are due for repayment on 31 December 2021.

In June 2021, the company submitted an In-Principle Advice to the Australian Securities Exchange ("ASX") in connection with its suitability for admission to the official list of the ASX. The company is currently working towards an IPO which is expected to take place November 2021.

During July - September 2021, the company issued a further 325,000 Convertible Notes on the same terms and conditions as those detailed above to raise a further \$325,000.

MY FOODIE BOX PTY LTD
ABN: 62 622 021 265

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE 18: COMPANY DETAILS

The registered office of the company is:

My Foodie Box Pty Ltd
C/- Pitcher Partners
Level 11, 12-14 The Esplanade
PERTH WA 6000

The principal place of business is:

My Foodie Box Pty Ltd
9 Foundry Street
MAYLANDS WA 6051

MY FOODIE BOX PTY LTD
ABN: 62 622 021 265

DIRECTORS' DECLARATION


The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 - 23 presents fairly the company's financial position as at 30 June 2020 and performance for the year ended on that date of the company in accordance with the accounting policies outlined in Note 1 to the financial statements.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

Director:



Bryan Hughes

Dated this 20

day of October

2021



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MY FOODIE BOX PTY LTD

Opinion

We have audited the financial report of My Foodie Box Pty Ltd (the Company), which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company presents fairly, in all material respects the financial position of the Company as at 30 June 2020, and its performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting

We draw attention to Note 1, which describes the basis of accounting. The financial report has been prepared for use by the directors and members of the Company and may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Material Uncertainty Related to Going Concern

We draw attention to Note 1, which indicates that the Company incurred a net loss of \$357,701 for the year ended 30 June 2020. As at that date, the Company had net current liabilities of \$379,822 and net liabilities of \$790,799. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

THE POWER OF BEING UNDERSTOOD AUDIT | TAX | CONSULTING

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RSM Australia Pty Ltd ACN 009 321 377 atf Birdanco Practice Trust ABN 65 319 382 479 trading as RSM

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's financial report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with the accounting policies described in Note 1 to the financial statements and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of a financial report that 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 Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

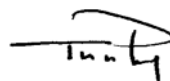
Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A handwritten signature in black ink that reads 'RSM'.

RSM AUSTRALIA PTY LTD

A handwritten signature in black ink that reads 'Tutu Phong'.

TUTU PHONG
Director

Perth, WA
Dated: 20 October 2021