

Perx Rewards Pty Ltd

Financial Statements

For the Year Ended

30 June 2021

Perx Rewards Pty Ltd

Annual Financial Report for the year ended 30 June 2021

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Perx Rewards Pty Ltd

Financial Report for the Year Ended 30 June 2021

DIRECTORS' REPORT

The Director of Perx Rewards Pty Ltd present their report together with the financial report of the Company for the year ended 30 June 2021 and the auditor's report thereon.

Directors

The names of the directors of Perx Rewards Pty Ltd in office at any time during or since the end of the year and up to the date of this report are:

Ilya Frolov

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

Company Secretary

The Company Secretary in office during or since the end of the year was Ilya Frolov.

Principal activities

The principal activities of the company was the provision of rewards programs to customers. There has been no change in principal activities during the year.

Review and results of operations

The profit / (loss) of the company for the financial year after providing for income tax amounted to \$119,290 (2020: \$29,748).

Significant Changes in the State of Affairs

There have been no significant changes in the affairs of the company during the financial year. Subsequent to the end of the financial year. In the period since 30 June 2021 Perx Rewards Pty Ltd, on the 29th October 2021, signed an agreement for the sale of 100% of ordinary. This is further outlined in the Events Subsequent to the End of the Reporting Period discussion below.

Likely Developments and Expected Results of Operations

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

Events Subsequent to the End of the Reporting Period

No matters or circumstances 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 other than as follows:

On the 29th October 2021, Perx Rewards Pty Ltd, signed an agreement for the sale of 100% of ordinary shares to My Rewards International pursuant to conditions in the sale agreement for the consideration of a total of \$1,000,000 in cash and \$200,000 equivalent in My Rewards International share issuance, once My Rewards International lists on the Australian Stock Exchange. This is a rewards membership business, focusing primarily on B2B corporates to offer an online white-label rewards and discount solution for their clients and members.

Dividends

No dividends were declared in the 2021 financial year (2020: Nil).

Perx Rewards Pty Ltd

DIRECTORS' REPORT

Options

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Information on Directors

(a) Qualifications, experience and special responsibilities and other information:

Name:	Ilya Frolov
Title:	Managing Director Company Secretary
Qualifications:	BEng, MA (Comms), MBA (Exec)
Experience and expertise:	<p>Ilya Frolov brings his local and international network of family offices, institutional and strategic investors, having gained a reputation for having a global vision in venture investment and operations.</p> <p>He currently leads and supports several local and international investment initiatives, leveraging his deep understanding of the value investment and fund operations. With over twenty-five years of financial, technology, construction sector experience, Ilya is jointly responsible for the management of Perx Rewards and is responsible for setting and implementing the business strategy and operations.</p>
Former directorships:	None
Special responsibilities:	Company Secretary
Interests in shares:	100%
Interests in options:	0%
Contractual rights to shares:	None

Meetings of Directors

No meetings of Directors were held during the financial year.

Indemnification of Officers

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

Indemnification of Auditors

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

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.

Proceedings on behalf of the company

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Perx Rewards Pty Ltd

DIRECTORS' REPORT

Non-audit services

Details of amounts paid or payable to the auditor for audit services provided during the financial year by the auditor are outlined in Note 4 to the financial statements.

The directors are satisfied that no non-audit services were provided during the year.

Rounding of amounts

Amounts in this report have been rounded off to the nearest dollar.

Auditor's Independence Declaration


MVA Bennett continues in office in accordance with Section 327 of the *Corporations Act 2001*.

A copy of the auditor's independence declaration as required under s 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of the Director, pursuant to Section 298(2)(a) of the *Corporations Act 2001*.

Signed on behalf of the Director:

Director



Ilya Frolov

Dated this 24th day of January 2022

Perx Pty Ltd

**AUDITOR'S INDEPENDENCE DECLARATION UNDER S 307C OF THE
CORPORATIONS ACT 2001 TO THE MEMBERS OF PERX PTY LTD**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there have been:

- (i) no contraventions of the auditor's independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

MVA Bennett

MVA BENNETT
Chartered Accountants
5th Floor, North Tower
485 La Trobe Street
Melbourne Vic 3000

Shaun Evans

SHAUN EVANS
Partner

Dated: 24 January 2022

Perx Rewards Pty Ltd

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 \$	2020 \$
Revenue			
Sales	2	12,654,622	11,455,282
Cost of Goods Sold	3	(12,401,678)	(11,311,997)
Gross Profit		252,944	143,285
Other Revenue			
Interest received	2	49	-
Other Income	2	20,000	-
		272,993	143,285
Expenses	3		
Consultants		(59,220)	(40,151)
Subscriptions		(10,000)	(23,028)
Wages and Salaries		(16,923)	(9,678)
Other expense		(48,026)	(40,680)
Total Expenses		(134,169)	(113,537)
Operating profit / (loss) before income tax		138,824	29,748
Income tax benefit / (expense)	5	(19,534)	-
Operating profit / (loss) after income tax		119,290	29,748
Other comprehensive income:		-	-
Total comprehensive income/ loss for the year		119,290	29,748
 Earnings per share for profit after income tax attributable to the owners of Perx Rewards Pty Ltd		Cents	Cents
Basic earnings per share		17.3	4.3
Diluted earnings per share		17.3	4.3

The accompanying notes form part of these financial statements.

Perx Rewards Pty Ltd

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
Assets			
Current Assets			
Cash and cash equivalents	6	54,274	31,949
Trade and Other Receivables	7	63,185	8,198
Total Current Assets		117,459	40,147
Non-current Assets			
Goodwill	8	689,440	689,440
Total non-current assets		689,440	689,440
Total Assets		806,899	729,587
Liabilities			
Current Liabilities			
Trade and other payables	9	9,221	51,199
Total Current Liabilities		9,221	51,199
Total Liabilities		9,221	51,199
Net Assets		797,678	678,388
Equity			
Issued & Paid Up Capital	11	689,440	689,440
Retained Profits	12	108,238	(11,052)
Total Equity		797,678	678,388

The accompanying notes form part of these financial statements.

Perx Rewards Pty Ltd

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Share Capital \$	Retained Earnings \$	Total \$
Balance at 1 July 2019	689,440	(40,800)	648,640
Net Surplus/(Deficit) for the Year	-	29,748	29,748
Other Comprehensive Income for the Year	-	-	-
Balance at 30 June 2020	689,440	(11,052)	678,388
Net Surplus for the Year	-	119,290	119,290
Other Comprehensive Income for the Year	-	-	-
Balance at 30 June 2021	689,440	108,238	797,678

The accompanying notes form part of these financial statements.

Perx Rewards Pty Ltd

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$	2020 \$
Cash Flows from Operating Activities			
Receipts from Customers		12,656,775	11,463,880
Payments to Suppliers and Employees		(12,614,965)	(11,444,220)
Interest Received		49	-
Income Tax Paid		(19,534)	-
Net Cash provided from Operating Activities	10	22,325	19,660
Net Increase / (Decrease) in Cash Held		22,325	19,660
Cash at the beginning of the Financial Year		31,949	12,289
Cash at the end of the Financial Year	6	54,274	31,949

The accompanying notes form part of these financial statements.

Perx Rewards Pty Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Perx Rewards Pty Ltd is a company limited by shares, incorporated and domiciled in Australia. These financial statements cover Perx Rewards Pty Ltd as an individual entity. Perx Rewards Pty Ltd does not own or operate any entities which require consolidation into these financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 24 January 2022. The Directors have the power to amend and reissue the financial statements.

Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporation Act 2001*, Australian Accounting Standards and Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board as appropriate for for-profit entities. The financial statements comply with International Financial Reporting Standards. The Company is a for-profit, private sector entity which is not publicly accountable for the purposes of preparing the financial statements.

The financial statements, except for the cash flow information, have been prepared on an accruals basis. The financial statements have been prepared under the historical cost convention unless otherwise stated in the notes.

The amounts presented in the financial statements are in Australian dollars, which is the company's functional and presentation currency. The financial statements have been rounded to the nearest dollar.

Critical Accounting Estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 1(o).

Accounting Policies

The accounting policies that have been adopted in the preparation of the statements are as follows:

a. 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.

b. Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment of trade receivables and contract assets have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

c. Intangibles

Other Intangibles

Other intangible assets are initially recorded at the purchase price. Other Intangible assets are amortised on a straight-line basis over a period of five years. The balances are reviewed annually and any balance representing future benefits, the realisation of which is considered to be no longer, are written off.

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

d. Financial Instruments

Financial assets

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 the sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) 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. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Financial Instruments (Continued)

Classification and subsequent measurement

Financial assets are subsequently measured at:

- amortised cost;
- fair value through profit or loss; or
- fair value through other comprehensive income.

- Measurement is on the basis of two primary criteria:
- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

the financial asset is managed solely to collect contractual cash flows; and
the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments (Cont'd)

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

The Company's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position. Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less expected credit losses. Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

All income and expenses relating to financial assets are recognised in the statement of profit or loss and other comprehensive income in the 'finance income' or 'finance costs' line item respectively.

All other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment and including forward looking information. The Company uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Company uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Company in full, without recourse to the Company to actions such as realising security (if any is held); or
- the financial assets are more than 90 days past due.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Company has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Instruments (Cont'd)

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance. Where the Company renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit and loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest rate is the internal rate of return of the financial asset or liability.

That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

e. Income Tax

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

Current tax and deferred tax are recognised in profit or loss are recognised directly in equity or in other comprehensive income. Current tax liabilities (assets) are therefore 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 directly to equity instead of profit or loss when the tax relates to items that are credited or charged to equity.

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income Tax

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

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

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

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

f. 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.

g. Issued & Paid Up Capital

Issued and paid up capital are classified as equity.

h. Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business combination exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisition. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

i. Impairment of non-financial assets

At the end of each reporting period the Company determines whether there is any evidence of impairment for its non-financial assets. The recoverable amount of an asset is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset. Where the recoverable amount is less than the carrying amount, an impairment loss is recognized in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss. Where this indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

j. Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the Group that remain unpaid at the end of the reporting year. The balance is recognised as a current liability with the amount normally paid within 30 days of recognition of the liability.

k. Revenue Recognition

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Company have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

All revenue is stated net of the amount of goods and services tax (GST). Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Interest income is recognised in the Statement of Comprehensive Income in the year the income was earned by the Company.

l. Comparative Figures

Comparatives figures have been adjusted to conform to changes in presentation for the current year where required by accounting standards or as a result of changes in accounting policy.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

m. New Accounting Standards and Interpretations

The company has adopted all new accounting pronouncements which have become effective this year. None of these standards have had a material impact on the financial statements of the company.

The AASB has issued a number of new and amended Accounting Standards and Interpretations which are mandatorily applicable for future reporting periods. The Directors have decided not to early adopt any of the new and amended pronouncements. The Directors have assessed the effect these new and amended pronouncements will have on the company and have determined that none will materially impact the company's financial statements.

n. Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the company's normal operating cycle, it is held primarily for the purpose of trading, it is expected to be realised within 12 months after the reporting period, or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the company's normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within 12 months after the reporting date, or there is no unconditional right to defer settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

o. Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements 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 company.

Key estimates

(i) Impairment – general

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

No impairment has been recognised in respect of goodwill at the end of the reporting period.

Perx Rewards Pty Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 2: REVENUE

	2021	2020
	\$	\$
Provision of Services	109,802	122,204
Sales of Goods	12,544,820	11,333,078
	<hr/> 12,654,622	<hr/> 11,455,282
Interest Received	49	1,731
Cashflow Boost	20,000	12,091

NOTE 3: PROFIT/(LOSS) FROM OPERATING ACTIVITIES

Profit/(Loss) from Operating Activities before Income

Tax Expense has been determined after:

Expenses:

Cost of Sales	12,401,678	11,311,997
Depreciation of Non-Current Assets	-	-
Profit / Loss on disposal of property, plant & equipment	-	-
Bad and Doubtful Debts	-	-
Finance Costs:		
Interest on Loans	1	2,983
Unrealised Currency Gains	1	11,250
Realised Currency Gains	37	165

NOTE 4: REMUNERATION OF AUDITOR

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

Audit Services – MVA Bennett

Audit or Reviewing the Financial Report	2,800	2,000
Other Services	-	-
	<hr/> 2,800	<hr/> 2,000

Perx Rewards Pty Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 5: INCOME TAX EXPENSE

	2021	2020
	\$	\$
The components of income tax expense comprise:		
Income tax expense / (refundable) for the current year	19,534	-
Deferred income tax expense	-	-
	<u>19,534</u>	<u>-</u>

The prima facie income tax expense on pre-tax accounting profit reconciles to the income tax expense as follows:

Operating Profit / (Loss) before tax	138,824	29,748
Income tax expense / (benefit) calculated at the Australian tax rate of 26% (2020: 27.5%)	36,094	8,181
Relating to origination and reversal of temporary differences	5,633	18,741
Carry forward tax losses	(22,193)	(26,922)
	<u>19,534</u>	<u>-</u>

NOTE 6: CASH AND CASH EQUIVALENTS

Cash at Bank	54,274	31,949
	<u>54,274</u>	<u>31,949</u>

(a) Reconciliation of Cash

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

Cash and Cash Equivalents	54,274	31,949
	<u>54,274</u>	<u>31,949</u>

NOTE 7: TRADE AND OTHER RECEIVABLES

Current

Trade Receivables	26,042	8,198
Related Party Receivables	37,143	-
	<u>63,185</u>	<u>8,198</u>

Allowance for Credit Losses

The company has recognised a \$0 loss in the profit or loss in respect of credit losses for the year ended 30 June 2021 (2020: Nil).

The ageing of the receivables are as follows. No allowance for credit losses has been recognised (2020: Nil).

Perx Rewards Pty Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 7: TRADE AND OTHER RECEIVABLES (CONT)

	2021	2020
	\$	\$
Receivables:		
Not Overdue	55,967	8,198
0 – 3 months overdue	7,218	-
	<hr/> 63,185	<hr/> 8,198

NOTE 8: INTANGIBLE ASSETS

Goodwill	689,440	689,440
	<hr/> 689,440	<hr/> 689,440
Opening balance	689,440	689,440
Movements	-	-
Closing Balance	<hr/> 689,440	<hr/> 689,440

Impairment testing

Goodwill acquired through business combinations have been allocated to the one cash-generating unit, being Rewards Programs. The recoverable amount of Goodwill has been determined based on estimated future sales price. The Directors have determined that the recoverable amount of Goodwill exceeds the carrying value as such no provision for impairment has been recognised.

NOTE 9: TRADE AND OTHER PAYABLES

	2021	2020
	\$	\$
Current		
Trade Payables	9,221	19,455
Related Party Payables	-	31,744
	<hr/> 9,221	<hr/> 51,199

Perx Rewards Pty Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 10: CASH FLOW INFORMATION	2021	2020
	\$	\$
Reconciliation of operating profit / (loss) to net cash inflow / (outflow) from operating activities		
Operating profit / (loss)	119,290	29,748
Non-Cash Flows in Profit:		
Changes in Assets and Liabilities:		
(Increase)/Decrease in Receivables	(54,987)	8,599
Increase/(Decrease) in Payables	(41,978)	(18,687)
Net Cash Inflow / (Outflows) from Operating Activities	(22,325)	(19,660)

NOTE 11: ISSUED & PAID UP CAPITAL	\$	\$
Issued and Paid Up Capital at the beginning of the year	689,440	689,440
Movements during the year	-	-
Issued and Paid Up Capital at the end of the financial year	689,440	689,440
	Number	Number
Issued and Paid Up Capital at the beginning of the year	689,440	689,440
Movements during the year	-	-
Retained Profits at the end of the financial year	689,440	689,440

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.

NOTE 12: RETAINED EARNINGS	\$	\$
Retained Profits at the beginning of the financial year	(11,052)	(40,800)
Profit after income tax expense for the year	119,290	29,748
Retained Profits at the end of the financial year	108,238	(11,052)

Perx Rewards Pty Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 13: RELATED PARTY INFORMATION

Key Management Personnel

The Directors of the Company are the KMP of the Company. The names of the Directors during the year and up to the date of this report were as follows:

Ilya Frolov.

The period of office for the Directors is stated in the Directors' Report. Directors do not receive any remuneration from the Company.

Key Management Personnel Shareholdings

All issued capital of the Company is held by Key Management Personnel as at 30 June 2021.

Transactions with Key Management Personnel

There was no compensation paid directly by the Company to any of the Key Management Personnel during the year. The Company has not made, guaranteed or secured, directly or indirectly, any loans to the Key Management Personnel or their related entities at any time during the reporting period.

NOTE 14: FINANCIAL INSTRUMENTS AT FAIR VALUE

The Company's investing activities expose it to a variety of financial risks including market risk, credit risk and liquidity risk. The Company's financial instruments consist mainly of cash and investments in managed investment scheme.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2021	2020
	\$	\$
Financial Assets		
Cash and cash equivalents	54,274	31,949
Trade and Other Receivables	63,185	8,198
	<u>117,459</u>	<u>40,147</u>
Financial Liabilities		
Trade and other payables	9,221	51,199
	<u>9,221</u>	<u>51,199</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 14: FINANCIAL INSTRUMENTS AT FAIR VALUE

a. Fair Values

Fair Value Estimation

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The Company considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

NOTE 15: FINANCIAL RISK MANAGEMENT

Financial Risk Management Policies

The Director of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. This includes responsibility for monitoring and managing the Company's compliance with its risk management framework. The overall risk management framework aims to assist the Company in meeting its financial targets while minimising potential adverse effects on financial performance.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. These risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

Specific Financial Risk Exposures and Management

The main risks the Company is exposed to through its financial instruments are credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk).

There have been no substantive changes in the types of risks the Company is exposed to, how these risks arise, or the board's objectives, policies and processes for managing or measuring the risks.

a. Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. Market risk embodies the potential for both losses and gains.

Market Price Risk

The Company invests in an equity securities fund which therefore subjects the Company to market price risk. Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Risk is reduced by holding part of the portfolio in cash.

Foreign currency risk

Currency risk arises as the fair value or future cash flows of monetary securities denominated in foreign currency will fluctuate due to changes in exchange rates. The currency risk relating to non-monetary assets and liabilities is a component of price risk not currency risk.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 15: FINANCIAL RISK MANAGEMENT (CONT.)*Interest Rate Risk*

Exposure to interest rate risk is insignificant and arises primarily through the Company's interest bearing investments. Minimisation of risk is achieved by limiting the Company's exposure to variable rate financial instruments.

Sensitivity disclosure analysis

The primary exposure to interest rates arises on cash balances held by the Company, which are held in floating interest rate accounts. Based on the cash balances held by the Company at 30 June 2021 an increase in Australian interest rates of 0.25% would increase the annual interest earned by the Company by \$136. A decrease would have an equal but opposite effect. The level of cash held may vary from time to time depending on the level of recent capital flows into and out of the Company. The cash balances held by the Company as at 30 June 2021 may therefore not be typical of the amounts of cash generally held.

b. Credit Risk

Credit risk is the risk that a counterparty will be unable to pay amounts when they fall due. The Company is exposed to counterparty credit risk on cash and cash equivalents and financial assets.

The Company has adopted the policy of only dealing with credit worthy counterparties, as a means of mitigating the risk of financial losses from defaults.

In addition the Company does not engage in hedging for its financial assets.

The carrying amount of financial assets recorded in the balance sheet, net of any provision for losses, represents the Company's maximum exposure to credit risk. Credit risk is measured at fair value and is monitored on a regular basis.

c. Liquidity Risk

Liquidity risk is the risk that the entity will encounter difficulty in meeting its financial obligations.

Liquidity risk is monitored to ensure sufficient monies are available to meet the entity's contractual obligations as and when they fall due. This process involves the updating of cash flow forecasts, profit forecasts and regular reviews by management and those in governance.

Financial Liability and Financial Asset Maturity Analysis:

	Within 1 year	1 or More Years	Total
	2021	2021	2021
	\$	\$	\$
Financial Liabilities Due for Payment			
Trade and other payables	9,221	-	9,221
Total Expected Outflows	9,221	-	9,221
Financial Assets – Cash Flows Realisable			
Cash and cash equivalents	54,274	-	54,274
Trade and Other Receivables	63,185	-	63,185
Total Anticipated Inflows	117,459	-	117,459
Net (Outflow)/ Inflow on Financial Instruments	108,238	-	108,238

Perx Rewards Pty Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 15: FINANCIAL RISK MANAGEMENT (CONT.)

	Within 1 year	1 or More Years	Total
	2020	2020	2020
	\$	\$	\$
Financial Liabilities Due for Payment			
Trade and other payables	51,199	-	51,199
Total Expected Outflows	51,199	-	51,199
Financial Assets – Cash Flows Realisable			
Cash and cash equivalents	31,949	-	31,949
Trade and Other Receivables	8,198	-	8,198
Total Anticipated Inflows	40,147	-	40,147
Net (Outflow)/ Inflow on Financial Instruments	(11,052)	-	(11,052)

NOTE 16: EARNINGS PER SHARE

	2021	2020
	\$	\$
Earnings per share for profit from continuing operations:		
Profit after income tax	119,290	29,748
Non-controlling interest	-	-
Profit after income tax attributable to owners of Perx Rewards Pty Ltd	119,290	29,748
	Cents	Cents
Basic earnings per share	17.3	4.3
Diluted earnings per share	17.3	4.3

NOTE 17: EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the Company except for the effects of the COVID-19 pandemic and the resulting restrictions on the movement of people and continued economic uncertainty. The effects on the future of aspects of the Company's future operations are difficult to predict.

On the 29th October 2021, Perx Rewards Pty Ltd, signed an agreement for the sale of 100% of ordinary shares to My Rewards International pursuant to conditions in the sale agreement for the consideration of a total of \$1,000,000 in cash and \$200,000 equivalent in My Rewards International share issuance, once My Rewards International lists on the Australian Stock Exchange. This is a rewards membership business, focusing primarily on B2B corporates to offer an online white-label rewards and discount solution for their clients and members.

Perx Rewards Pty Ltd

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

NOTE 18: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no contingent liabilities or contingent assets as at 30 June 2021 (2020: Nil).

NOTE 19: CAPITAL AND LEASING COMMITMENTS

There were no operating or capital commitments as at 30 June 2021 (2020: Nil).

NOTE 20: COMPANY INFORMATION

Perx Rewards Pty Ltd is incorporated and domiciled in Australia.

The registered office and principal place of business is:

Suite 2, Level 14,

10 Queens Road

Melbourne VIC 3004.

A description of the nature of the company's operations and its principal activities can be found in the Directors Report, which is not part of the financial statements.

Perx Rewards Pty Ltd


DIRECTORS' DECLARATION

In accordance with a resolution of the Director of Perx Rewards Pty Ltd, I state that:

In the opinion of the Director:

- (a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance, as represented by the results of its operations and its cash flows for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) The attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements; and
- (c) 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 Director made pursuant to Section 295(5)(a) of the *Corporations Act 2001*.



Director Ilya Frolov

Dated this 24th day of January 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PERX PTY LTD**Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Perx Pty Ltd (the company) which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion, the accompanying financial report of Perx Pty Ltd has been prepared in accordance with *Corporations Act 2001*, including:

- I. giving a true and fair view of the company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- II. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors for the Financial Report

The directors of the company is responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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



MVA BENNETT
Chartered Accountants.
Level 5, North Tower,
485 La Trobe Street
Melbourne Vic 3000



SHAUN EVANS
Partner

Dated: 24 January 2022