Annual Financial Report

Mobile Business Devices Pty Ltd
For the year ended 30 June 2021

Contents

Directors' Report

The Directors of Mobile Business Devices Pty Ltd present their report together with the financial statements of the Consolidated Entity, being Mobile Business Devices Pty Ltd for the year ended 30 June 2021 and the Independent Auditor's Report thereon.

Directors' details

The following persons were Directors of Mobile Business Devices Pty Ltd during or since the end of the financial year

Mr. Mark Waller, B. Com FCPA

Chairman

With experience as a director of public companies and Chief Financial Officer and Company Secretary of Listed companies, Mark's knowledge of the compliance, governance and strategic oversight of companies makes Mark and asset to the Board of the company. His responsibilities include working with the executives of the company to set the strategy on work on operational reporting frameworks to ensure the strategy in executed.

Mr. Nathan Kerr, FdSc

Chief Executive Officer

Nathan is a business growth and technology specialist. With experience in large corporate in financial services to growing his own business, his focus is ensuring technology usability and customer growth strategies ensure the company has a long growth tail. His responsibilities include leading the development of the company's short- and long-term strategy; maintaining awareness of the competitive market landscape, expansion opportunities and industry developments.

Company Secretary

Nathan Kerr is company secretary of Mobile Business Devices Pty Ltd.

Principal activities

The principal activities of the Group during the financial year were providing taxation preparation software and services in Australia.

There have been no significant changes in the nature of these activities during the year.

Review of operations and financial results

A review of the operations of the Group during the financial year and the results of those operations saw an increase in contract revenue from $299,651 to $407,925. The increases reflect consolidation of performance across the Group with an improved capability to deliver to meet customer requirements.

A private capital raising was undertaken during the year which raised $1,241,668 net of costs providing additional operating capital to fund major marketing and promotion as well as positioning the Group in a strong cash position for 2021 to allow and gain for future new customer acquisition.

The Group's net assets increased compared to the previous year, which is due to the reduction in trade liabilities and the Group's capital raising activities.

Events arising since the end of the reporting period

In November 2021 the company raised $500,000 through the issue of new ordinary shares to fund marketing and product development.

The company has increased is registered user base by over 25,000 people since the end of the reporting period.

The company continues to seek an ASX listing and has applied for an In-principle approval to list the company.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Likely developments

The Group will continue to seek opportunities to grow its customer base providing financial and life administration services on the OneClick platform.

The company has applied to ASX for an In-principle approval to list the company.

Directors' meetings

The number of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director is as follows:

	Board Meetings	
Board Member	**A**	**B**
Mark Waller	2	2
Nathan Kerr	2	2

Where:

- **column A:** is the number of meetings the Director was entitled to attend
- **column B:** is the number of meetings the Director attended

Options

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

Environmental regulations

The Group's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

There have been no significant breaches during the period covered by this report.

Indemnities given to, and insurance premiums paid for, auditors and officers

Insurance of officers

During the year, Mobile Business Devices Pty Ltd indemnified officers of the Group.

Indemnity of auditors

The Group has agreed to indemnify its auditors, Grant Thornton Audit Pty Ltd, to the extent permitted by law, against any claim by a third party arising from the Group's breach of its agreement. The indemnity requires the Group to meet the full amount of any such liabilities including a reasonable amount of legal costs.

Proceedings on behalf of Group

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

The Group was not a party to any such proceedings during the year.

Dividends

No dividends were declared or paid during the current or previous financial years.

Significant Changes in State of Affairs

The following significant events occurred during the year:

- The company issued 4,650,000 shares in December 2020 via the conversion of convertible notes.
- The company issued 24,000,028 shares via the raise of $840,001 to use on marketing and new product development.
- The company doubled its registered user numbers during the financial year ended 30 June 2021.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 4 and forms part of this Directors' Report.

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

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

Mark Waller
Director

4 February 2022

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Auditor's Independence Declaration

To the Directors of Mobile Business Devices Pty Ltd

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Mobile Business Devices Pty Ltd for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 4 February 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2021

	Notes	2021	2020
		$	$
Revenue from contracts with customers	3	407,925	299,651
Other income	4	436,776	174,647
Employee expenses	5	(390,642)	(189,544)
Amortisation expense	13	(433,147)	(376,449)
Selling and distribution expenses	6	(199,718)	(107,179)
General and administrative expenses	7	(805,453)	(399,204)
Operating loss		**(984,259)**	**(598,078)**
Finance income	8	9	-
Finance costs	8	(84,498)	(52,449)
Loss before income tax		**(1,068,748)**	**(650,527)**
Income tax benefit	9	162,465	112,639
Loss for the year		**(906,283)**	**(537,888)**
Other comprehensive income		-	-
Total comprehensive loss for the year		**(906,283)**	**(537,888)**
Earnings per share:	27		
Basic loss per share		**(0.01487)**	**(0.01217)**
Diluted loss per share		**(0.01485)**	**(0.01216)**

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Financial Position

As at 30 June 2021

	Notes	2021 $	2020 $
Current assets			
Cash and cash equivalents	10	57,526	29,705
Trade and other receivables	11	103,634	10,743
Other current assets	12	240,420	64,447
Total current assets		**401,580**	**104,895**
Non-current assets			
Intangible assets	13	1,463,863	1,556,823
Deferred tax assets	9	200,390	90,968
Total non-current assets		**1,664,253**	**1,647,791**
Total assets		**2,065,833**	**1,752,686**
Current liabilities			
Trade and other payables	14	301,513	154,931
Current tax liabilities	15	28,362	11,583
Financial liabilities	16	-	110,000
Employee benefits	17	34,502	16,994
Total current liabilities		**364,377**	**293,508**
Non-current liabilities			
Financial liabilities	16	56,250	104,167
Employee benefits	17	15,656	7,803
Deferred tax liabilities	9	200,390	253,433
Total non-current liabilities		**272,296**	**365,403**
Total liabilities		**636,673**	**658,911**
Net assets		**1,429,160**	**1,093,775**
Equity			
Issued capital	18	3,440,987	2,199,319
Accumulated losses		(2,011,827)	(1,105,544)
Total equity		**1,429,160**	**1,093,775**

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Changes in Equity

For year ended 30 June 2021

	Notes	Share capital	Accumulated losses	Total
		$	$	$
Balance at 1 July 2019		**1,377,700**	**(567,656)**	**810,044**
Loss for the year		-	(537,888)	(537,888)
Other Comprehensive income		-	-	-
Total comprehensive loss for the year		**-**	**(537,888)**	**(537,888)**
Transactions with owners in their capacity as owners:				
Issue of share capital	18	821,619	-	821,619
Sub-total		**821,619**	**(537,888)**	**283,731**
Balance at 30 June 2020		**2,199,319**	**(1,105,544)**	**1,093,775**
Balance at 1 July 2020		**2,199,319**	**(1,105,544)**	**1,093,775**
Loss for the year		-	(906,283)	(906,283)
Other Comprehensive income		-	-	-
Total comprehensive loss for the year		**-**	**(906,283)**	**(906,283)**
Transactions with owners in their capacity as owners:				
Issue of share capital	18	1,241,668	-	1,241,668
Sub-total		**1,241,668**	**(906,283)**	**335,385**
Balance at 30 June 2021		**3,440,987**	**(2,011,827)**	**1,429,160**

This statement should be read in conjunction with the notes to the financial statements.

Consolidated Statement of Cash Flows

For year ended 30 June 2021

	Notes	2021 $	2020 $
Operating activities			
Receipts from customers		356,179	258,814
Payments to suppliers and employees		(1,379,498)	(670,595)
Cash receipts from government grants		218,898	58,287
Net cash used in operating activities	19	**(804,421)**	**(353,494)**
Investing activities			
Payments for intangible assets		(287,655)	(273,584)
Other cash items from investing activities		-	115,495
Net cash used in investing activities		**(287,655)**	**(158,089)**
Financing activities			
Proceeds from issue of shares		840,000	285,000
Proceeds from borrowings subsequently converted to equity		50,000	195,000
Proceeds from borrowings		250,000	-
Repayment of borrowings		(20,103)	(50,000)
Net cash provided by financing activities		**1,119,897**	**430,000**
Net change in cash and cash equivalents held		**27,821**	**(81,583)**
Cash and cash equivalents at beginning of financial year		**29,705**	**111,288**
Cash and cash equivalents at end of financial year	10	**57,526**	**29,705**

This statement should be read in conjunction with the notes to the financial statements.

Notes to the Consolidated Financial Statements

1 General information

Mobile Business Devices Pty Ltd is a taxation preparation software and service provider in Australia as well as providing will and general insurance services.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 4 February 2022. The directors have the power to amend and reissue the financial statements. Mobile Business Devices Pty Ltd is a private Company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Suite 1/ 57 Forrest St,	Suite 1/ 57 Forrest St,
Subiaco WA 6008	Subiaco WA 6008

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

Except for cash flow information, the financial report has been prepared on an accruals basis and is based on historical costs, modified where applicable, by the measurement at fair value of selected financial assets and financial liabilities. Cost is based on the fair values of the consideration given in exchange for assets.

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 consolidated entity'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 2.

Going concern

This financial report is prepared on the going concern basis and assumes the continuation of normal business activities for at least the next 12 months following the signing of these financial statements.

The Company's result for the period included a loss totaling $906,283 and the Company also recorded a cash outflow from operating activities totalling $804,421.

The ability of the Company to continue as going concerns and to pay their debts as and when they fall due is dependent on the following:

- the ability to raise additional funding, including $500,000 under a pre initial public offering (IPO) funding per subsequent event disclosure within Note 28;
- achieving revenue targets in line with management's forecasts;
- managing all costs in line with management's forecasts;
- continued support of the Company's major shareholders and funders; and
- The completion of an anticipated IPO.

Based upon the above, the Board has reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable and the Directors consider the going concern basis of relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The following Accounting Standards and Interpretations are most relevant to the consolidated entity:
Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 July 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the consolidated entity's financial statements.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2021. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Basis of preparation

The financial statements have been prepared on an accrual basis and under the historical cost convention.

Basis of consolidation

The financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2021. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests

Revenue from contracts with customers

Revenue arises mainly from service contracts.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

The Group often enters into transactions involving the Group's products and services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Services revenue

Revenue from the provision of services is recognised when the service has been provided. Each service is deemed a separate performance obligation. The transaction price is allocated to each obligation based on contract prices. Revenue from services is predominantly recognised on the basis of the value of the work completed at a point in time.

Transaction price and contract modifications

The transaction price is the amount of consideration to which the company expects to be entitled to under the customer contract and which is used to value total revenue and is allocated to each performance obligation. The determination of this amount includes “fixed remuneration”, (for example lump sum, schedule of rates or pricing for services) and “variable consideration”.

The main variable consideration elements are claims (contract modifications) and consideration for optional works and provisional sums each of which needs to be assessed. Contract modifications are changes to the contract approved by the parties to the contract.

The right to the consideration show be provided for contractually generating an enforceable right once the enforceable right has been identified, the Group applies the guidance given in AASB 15 in relation to variable consideration. This requires assessment that is highly probable that there will not be a significant reversal of revenue in the future.

The measurement of additional consideration arising from claims is subject to a high level of uncertainty, both in terms of the amount that customers will pay and the collection times, which usually depend on the outcome of negotiations between the parties or decisions taken by judicial/arbitration bodies. The Group considers all relevant aspects in circumstances such as the contract terms, business in negotiating practices of the sector, the Group’s historical experiences with similar contracts and consideration of those factors that affect the variable consideration that are out of control of the Group or other supporting evidence when making the above decision.

Loss making contracts

A provision is made for the difference between expected cost of fulfilling a contract and expected on and portion of the transaction price whether forecast costs are greater than forecast revenue. The provision is recognised in full in a period in which the loss-making contract is identified under AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*.

Under AASB 137, the assessment of whether a provision needs to be recognised takes place at the contract level and there are no segmentation criteria to apply. As a result, there are some instances where loss provisions recognised in the past have not been recognised under AASB 15 because the contract as a whole is profitable. In addition, when two or more contracts entered into at or near the same time are required to be combined for accounting purposes, AASB 15 requires the Group to perform the assessment of whether the contract is onerous at the level of the combined contracts. The Group also notes that the amount of loss accrued in respect of a loss contract under AASB 111 takes into account an appropriate allocation of construction overheads. This contrasts with AASB 137 where loss accruals may be lower as they are based on the identification of ‘unavoidable costs’.

Interest and dividend income

Interest income and expenses are reported on an accrual basis using the effective interest method. Dividend income, other than those from investments in associates, are recognised at the time the right to receive payment is established.

Government grants

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Government assistance which does not have conditions attached specifically relating to the operating activities of the Group is recognised in accordance with the accounting policies above.

Operating Expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin. Expenditure for warranties is recognised and charged against the associated provision when the related revenue is recognised.

Intangible assets and research & development

Internally generated software

Internally developed software is capitalised at cost less accumulated amortisation. Amortisation is calculated using the straight-line basis over the asset's useful economic life which is generally four to seven years. Their useful lives and potential impairment are reviewed at the end of each financial year.

Software under development

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials and services and employee costs. Assets in the course of construction include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the Group has an intention and ability to use the asset.

Impairment testing of intangible assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement

Financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI)

In the periods presented, the Group does not have any financial assets categorized as FVOCI.

The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments.

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

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

The category also contains an equity investment. The Group accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in Volt Power Pty Ltd at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced IAS 39's 'incurred loss model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Group first identifying a credit loss event. Instead, the Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').
- 'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess shared credit risk characteristics they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Trade and other payables

Trade and other payables, including accruals, are recorded when the Group is required to make future payments as a result of purchases of assets or services provided to the Group prior to the end of financial period. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised at cost.

Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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 consolidated entity'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 consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Issue capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Mobile Business Devices Pty Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Provisions

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

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position. Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

2 Critical accounting judgements, estimates and assumptions

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below or elsewhere in the financial statements:

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Calculation of loss allowance

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The Group maintains insurance against Domestic Trade Credit defaults and therefore considers the risk of loss to be minimal.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes.
In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available.

Corona virus (COVID-19) pandemic

The judgements and associated assumptions have been made within the context of the impact of COVID-19, and reflect historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the current circumstances, such as the duration of the pandemic, the impacts and actions of governments, the responses of businesses and consumers across different industries, and the associated impact on the global economy.

3 Revenue

The Group's revenue for the reporting periods consists of the following:

	Note	2021 $	2020 $
Revenue from professional services		407,925	299,651
Total revenue		**407,925**	**299,651**
Revenue recognised at a point in time		407,925	299,651
Revenue recognised over time		-	-
Total		**407,925**	**299,651**

4 Other income

	Note	2021 $	2020 $
Research and development grant		240,420	116,647
Cashflow boost grant		48,756	10,000
Jobkeeper grant		147,600	48,000
Total other income		**436,776**	**174,647**

5 Employee expenses

Employee expenses for the reporting periods consist of the following:

	Note	2021 $	2020 $
Wages and salaries		334,492	130,608
Superannuation		27,462	10,379
Annual leave		17,509	(13,661)
Long service leave		7,853	4,218
Super guarantee charges		3,326	-
Share based payment expense		-	58,000
Total employee expenses		**390,642**	**189,544**

6 Selling and distribution expenses

Selling expenses for the reporting periods consist of the following:

	Note	2021 $	2020 $
Consulting expenses		136,595	79,354
IT and software expenses		63,123	27,825
Total selling and distribution expenses		**199,718**	**107,179**

7 General and administrative expenses

General and administrative expenses for the reporting periods consist of the following:

	Note	2021	2020
		$	$
Credit loss expense		44,776	74,346
Advertising and marketing		615,738	266,769
Rent expense		48,126	-
Subscriptions		23,366	13,072
Other expenses		73,447	45,017
Total administration expenses		**805,453**	**399,204**

8 Finance income and costs

Finance income/ costs for the reporting periods consist of the following:

	Note	2021	2020
		$	$
Interest income from financial institution		9	-
Total finance income		**9**	**-**
Interest expenses for borrowings at amortised cost:			
Interest from related party loans		(748)	(14,762)
Interest from convertible notes		(83,750)	(37,687)
Total finance costs		**(84,498)**	**(52,449)**

9 Income tax expense

a) Income tax recognised in the Statement of Profit or Loss and other Comprehensive Income

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of Mobile Business Devices Pty Ltd at 26% (2020: 27.5%) and the reported tax expense in profit or loss are as follows:

	Note	2021	2020
		$	$
Loss before tax		(1,068,744)	(650,521)
Domestic tax rate for Mobile Business Devices Pty Ltd		26%	27.5%
Expected tax benefit		**(277,873)**	**(178,893)**
Adjustment for tax-exempt income:			
Research and Development Income		(62,509)	(32,078)
Other tax exempt income		(12,677)	(2,750)
Adjustment for tax-exempt expenses:			
Research and Development Expenditure		143,699	73,742
Share based payments		2,600	15,950
Convertible note interest		21,775	10,364
Other non-deductible expenses		2,139	1,026
Deferred tax assets unrecognised		29,242	-
Adjustment to temporary differences for change in tax rate		(8,861)	-
Income tax benefit		**(162,465)**	**(112,639)**

9. Income tax expense (cont.)

b) Deferred tax expense

	Note	2021 $	2020 $
Deferred tax relates to the following:			
Deferred tax assets:			
Employee entitlements		17,251	10,211
Tax losses		183,139	80,757
Total deferred tax assets		**200,390**	**90,968**
Deferred tax liabilities:			
Intangible assets		200,390	253,433
Total deferred tax liabilities		**200,390**	**253,433**

All deferred tax assets (including tax losses and other tax credits) have not been recognised in the statement of financial position. The total value of deferred tax assets not recognised is $29,242.

10 Cash and cash equivalents

	Note	2021 $	2020 $
Cash at bank and on hand			
Cash at bank		57,526	29,105
Cash on hand		-	600
Total cash and cash equivalents		**57,526**	**29,705**

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

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

11 Trade and other receivables

	Note	2021 $	2020 $
Current			
Trade receivables, gross		51,216	220
Fees from refunds		2,762	-
Instant tax refunds/ loans		1,011	-
GST receivable		48,645	10,523
Total trade receivables		**103,634**	**10,743**

Allowance for expected credit losses
The consolidated entity has recognised a loss of $nil in profit or loss in respect of the expected credit losses for the year ended 30 June 2021 as the entity is confident to receive all current receivables in the early subsequent financial year

12 Other current assets

	Note	2021 $	2020 $
Income tax refundable (R&D Tax Offset)		240,420	64,447
Total other assets		**240,420**	**64,447**

13 Intangible assets

	Note	Software $	Total $
For the year ended 30 June 2021			
Cost			
Balance at 1 July 2020		2,258,693	2,258,693
Addition		376,333	376,333
Adjustment		(36,146)	(36,146)
Disposals		-	-
Balance at 30 June 2021		**2,598,880**	**2,598,880**
Depreciation and impairment			
Balance at 1 July 2020		(701,870)	(701,870)
Disposal		-	-
Amortisation		(433,147)	(433,147)
Balance at 30 June 2021		**(1,135,017)**	**(1,135,017)**
Carrying amount 30 June 2021		**1,463,863**	**1,463,863**
For the year ended 30 June 2020			
Cost			
Balance at 1 July 2019		1,952,528	1,952,528
Addition		306,165	306,165
Adjustment		-	-
Disposals		-	-
Balance at 30 June 2020		**2,258,693**	**2,258,693**
Depreciation and impairment			
Balance at 1 July 2019		(325,421)	(325,421)
Disposal		-	-
Amortisation		(376,449)	(376,449)
Balance at 30 June 2020		**(701,870)**	**(701,870)**
Carrying amount 30 June 2020		**1,556,823**	**1,556,823**

(A) Software assets

The Group developed the OneClick Platform that provides taxation preparation software and services in Australia. Costs capitalised include costs directly attributable to the development of the asset. The Platform delivered to market has begun generating revenues.

(B) Amortisation

Amortisation is charged to the Statement of Profit or Loss using the straight-line basis over the estimated useful life of the intangible asset.

The estimated useful life of intangible assets are as follows:

Software: 6 years

The residual value, the useful life and the depreciation method applied to an asset are reviewed at each financial year end and adjusted if required.

14 Trade and other payables

	Note	2021 $	2020 $
Unsecured liabilities:			
Trade payables		165,753	108,397
Employee accruals		102,658	46,534
Other accruals		33,102	-
Total trade and other payables		**301,513**	**154,931**

All amounts are short-term. The carrying values of trade payables and other payables are considered to be a reasonable approximation of fair value.

15 Current tax liabilities

	Note	2021 $	2020 $
ATO Integrated client account		28,362	11,583
Total current tax liabilities		**28,362**	**11,583**

16 Financial liabilities

	Note	2021 $	2020 $
Current			
Loans from directors	**(a)**	-	35,000
Other short term loans	**(b)**	-	75,000
Total current		**-**	**110,000**
Non-Current			
Loans from directors	**(a)**	25,000	**-**
Convertible notes	**(c)**	25,000	65,000
Embedded derivative	**(d)**	6,250	39,167
Total non-current		**56,250**	**104,167**
Total financial liabilities		**56,250**	**214,167**

(a) The following loan has been provided by Nathan Kerr (company director). The loan has been provided on interest rate of 8% per annum with a maturity date of greater than 12 months.

(b) The following loan has been provided by The RVVH Family Trust and The Graham Family Trust (shareholders). The loan has been provided on interest rate of 8% per annum with a maturity date of less than 12 months.

(c) The following loan has been provided by I am Super Trust (shareholder). The face value is payable by the Company on the maturity date of greater than 12 months. It is convertible into ordinary shares in the capital of the Company with 20% discount rate on either the lessor of the last raised price or any prospective capital raise.

(d) The interest expense on the loan has been accrued and captured under “Embedded Derivate”

17 Employee benefits

The liabilities recognised for employee benefits consist of the following amounts:

	Note	2021 $	2020 $
Current			
Annual leave		34,502	16,994
Long service leave		-	-
		34,502	**16,994**
Non-current			
Annual leave		-	-
Long service leave		15,656	7,804
		15,656	**7,804**
Total employee benefits		**50,158**	**24,798**

Amounts not expected to be settled within the next 12 months
The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

18 Issue capital

Fully paid ordinary shares

	2021 Shares	2020 Shares	2021 $	2020 $
Beginning of the year	44,513,189	38,097,000	2,199,319	1,377,700
Issue of share capital	28,725,028	6,416,189	1,241,668	821,619
Total contributed equity at 30 June	**73,238,217**	**44,513,189**	**3,440,987**	**2,199,319**

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or Company was seen as value adding relative to the current Company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.
The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

19 Reconciliation of cash flows

Reconciliation of cash flows from operating activities

	2021 $	2020 $
Cash flows from operating activities		
Loss after income tax	**(906,283)**	**(537,888)**
Non-cash flows in profit:		
• depreciation and amortisation	433,147	376,449
Changes in assets and liabilities:		
• (increase) / decrease in trade and other receivables	(92,891)	1,123
• (increase) / decrease in other assets	(175,973)	(1,152)
• (increase) / decrease in deferred tax assets	109,422	(64,507)
• increase / (decrease) in trade and other payables	(160,940)	(81,528)
• increase / (decrease) in current tax liability	16,779	11,583
• increase / (decrease) in deferred tax liabilities	(53,043)	(48,132)
• increase / (decrease) in employee benefits liabilities	25,361	(9,442)
Net cash provided by operating activities	**(804,421)**	**(353,494)**

20 Related party transactions

The Group's related parties include its key management personnel, related parties of its key management personnel, and others as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

Transactions with key management personnel

Key management of the Group are the Executive members of the Group's Board of Directors and the Group's Chief Executive Officer. Key management personnel remuneration includes the following expenses:

	2021 $	2020 $
Short-term employee benefits:		
Salaries including bonuses	39,915	11,174
Total short-term employee benefits	**39,915**	**11,174**
Long service leave	6,498	3,322
Total other long-term benefits	**6,498**	**3,322**
Post-employment benefits:		
Superannuation	3,207	623
Total post-employment benefits	**3,207**	**623**
Total remuneration	**49,620**	**15,119**

The Company's related parties include its key management personnel, related parties of its key management personnel, and others as described below.

Unless otherwise stated, none of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash.

20 Related party transactions (Cont.)

Transactions with related parties
The following transactions occurred with related parties:

	Note	2021 $	2020 $
Payment for goods and services:			
Payment for services from associate		87,500	120,000
		87,500	**120,000**

Loans to/from related parties

	Note	2021 $	2020 $
Current			
Loan from related parties		25,000	25,000
Non-Current			
Loan from related parties		-	10,000
Convertible notes		25,000	50,000
		50,000	**85,000**

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

21 Financial assets and liabilities

Categories of financial assets and liabilities

Note 1 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

30 June 2021	Notes	Amortised cost $	Assets at fair value through profit and loss (FVPL) $	Total $
Financial assets				
Cash and cash equivalents	10	57,526	-	57,526
Trade and other receivables	11	103,634	-	103,634
Other assets	12	240,420	-	240,420
Total financial assets		**401,580**	**-**	**401,580**

30 June 2021	Notes	Other liabilities amortised cost $	Other liabilities FVTPL $	Total $
Financial liabilities				
Financial liabilities - current	16	-	-	-
Trade and other payables	14	301,513	-	301,513
Financial liabilities – non-current	16	56,250	-	56,250
Total financial liabilities		**357,763**	**-**	**357,763**

21 Financial assets and liabilities (Cont.)

30 June 2020	Notes	Amortised cost $	Assets at fair value through profit and loss (FVPL) $	Total $
Financial assets				
Cash and cash equivalents	10	29,705	-	29,705
Trade and other receivables	11	10,743	-	10,743
Other assets	12	64,447	-	64,447
Total financial assets		**104,895**	**-**	**104,895**

30 June 2020	Notes	Other liabilities amortised cost $	Other liabilities FVTPL $	Total $
Financial liabilities				
Financial liabilities - current	16	110,000	-	110,000
Trade and other payables	14	154,931	-	154,931
Financial liabilities – non-current	16	104,167	-	104,167
Total financial liabilities		**369,098**	**-**	**369,098**

A description of the Group’s financial instrument risks, including risk management objectives and policies is given in Note 24.

The methods used to measure financial assets and liabilities reported at fair value are described in Note 25.

Borrowings

Borrowings include the following financial liabilities:

	Current 2021 $	Current 2020 $	Non-current 2021 $	Non-current 2020 $
At amortised cost				
Loan from related parties	**-**	110,000	**25,000**	-
Convertible notes	**-**	-	**25,000**	65,000
Derivative liability (conversion feature)	**-**	-	**6,250**	39,167
Total borrowings	**-**	110,000	**56,250**	104,167

The loan taken are from related parties and the interest rates are 8% per annum. calculated monthly not in advance. Convertible notes are issued in January 2020.

Other financial instruments

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

• trade and other receivables

• cash and cash equivalents

• trade and other payables.

22 Interests in subsidiaries

Composition of the Group

Set out below details of the subsidiaries held directly by the Group:

	Country of Incorporation	Percentage Ownership (%)	
Parent Entity:		**2021**	**2020**
Mobile Business Devices Pty Ltd	Australia	100	100
Subsidiaries:			
One Click Life Pty Ltd	Australia	100	100
One Click Legal Pty Ltd	Australia	100	49

In July 2020, Mobile Business Devices Pty Ltd increased ownership in One Click Legal Pty Ltd to 100%. One Click Legal Pty Ltd is a dormant entity established for a future rollout of OneClick Legal products. The acquisition has immaterial accounting impact to the Group.

23 Auditor remuneration

	Note	2021 $	2020 $
Remuneration of the auditor, Grant Thornton Audit Pty Ltd for:			
Auditing the financial statements		15,000	15,000
Total auditor remuneration		**15,000**	**15,000**

24 Financial risk management

Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 21. The main types of risks are market risk, credit risk and liquidity risk.

The Group's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

Market risk analysis

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency sensitivity – no exposure to the Group

All of the Group's transactions are carried out in Australian Dollars (AUD). Hence, there is no exposure to currency exchange rates arise from the Group's sales and purchases transactions.

Interest rate sensitivity

Other borrowings are at fixed interest rates. The exposure to interest rates for the Group's money market funds is considered immaterial.

24 Financial risk management (Cont.)

Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks, trade and other receivables and contract assets.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2021 $	2020 $
Classes of financial assets		
Carrying amounts:		
• cash and cash equivalents	57,526	29,705
• trade and other receivables	103,634	10,743

Credit risk management

The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures.

Cash and cash equivalents

The Group's cash and cash equivalents are held with major reputable financial institutions.

Trade receivables and contract assets

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer and contract with customer. The demographics of the Group's customer base, including the default risk of the industry and country in which the customers operate, has less of an influence on credit risk. Geographically, the concentration of credit risk is within Australia.

The Group continuously monitors defaults of customers and other counterparties, identified either by individual or group and incorporates this information into its credit risk controls. The Group's policy is to deal only with creditworthy counterparties. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

The Group does not require collateral in respect of trade receivables and contract assets.

The Group's management considers that all the above financial assets that are not impaired or past due for each of the reporting dates under review are of good credit quality.

Impairment losses

The ageing of the Group's trade and other receivables and contract assets at the reporting date was:

	Note	Gross 2021 $	Allowance for Impairment 2021 $	Gross 2020 $	Allowance for Impairment 2020 $
Trade receivables:					
Not past due		91,662	-	-	-
Not more than three months		8,958	-	10,743	-
More than three months but not more than six months		-	-	-	-
More than six months but not more than one year		3,014	-	-	-
More than one year		-	-	-	-
		103,634	**-**	**10,743**	**-**

The Group has established an allowance for impairment that represents their expected credit losses in respect of trade receivables and contract assets.

The Group recognises a provision for impairment related to expected credit losses ("ECLs") for trade receivables, contract assets and other debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group uses a provision matrix to calculate the ECLs. The provision matrix is established based on the Group's historically observed default rates. The Group calibrates the matrix to adjust historical credit loss experience with forward looking factors specific to debtors and the economic environment where appropriate. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. To date, the Group has not observed or expects to see material decline in its customers' abilities to pay as a result of the Coronavirus pandemic. Accordingly, no additional expected credit loss allowance pertaining to the Coronavirus pandemic have been included.

The assessment of the correlation between historical observed default rates, forecast of economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecasts in economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The Group considers a financial asset's potential for default when contractual payments are more than 120 days past due, factoring in other qualitative indicators where appropriate. Exception shall apply to financial assets that relate to entities under common controls or covered by letter of credit or credit insurance. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Liquidity risk analysis

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180 to 360 day lookout period are identified monthly. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities and the ability to sell long-term financial assets.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables (see Note 9 and Note 10) significantly exceed the current cash outflow requirements. Cash flows from trade and other receivables are all contractually due within three months. As at 30 June 2021, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	Current		Non-current	
	Within 6 months $	6 - 12 months $	1 - 5 years $	5+ years $
30 June 2021				
Trade and other payables	275,673	-	25,840	-
Financial liabilities	-	-	56,250	-
Total	**275,673**	**-**	**82,090**	**-**

This compares to the maturity of the Group's non-derivative financial liabilities in the previous reporting periods as follows:

	Current		Non-current	
	Within 6 months $	6 - 12 months $	1 - 5 years $	5+ years $
30 June 2020				
Trade and other payables	75,366	79,565	-	-
Financial liabilities	70,000	40,000	104,167	-
Total	**145,366**	**119,565**	**104,167**	

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

25 Fair value measurement

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- **Level 3:** Unobservable inputs for the asset or liability

30 June 2021	Notes	Amortised cost $	Assets at fair value through profit and loss (FVPL) $	Total $
Financial assets				
Cash and cash equivalents	10	57,526	-	57,526
Trade and other receivables	11	103,634	-	103,634
Other assets	12	240,420	-	240,420
Total financial assets		**401,580**	**-**	**401,580**

30 June 2021	Notes	Other liabilities amortised cost $	Other liabilities FVTPL $	Total $
Financial liabilities				
Trade and other payables	14	301,513	-	301,513
Financial liabilities – non-current	16	56,250	-	56,250
Total financial liabilities		**357,763**	**-**	**357,763**

30 June 2020	Notes	Amortised cost $	Assets at fair value through profit and loss (FVPL) $	Total $
Financial assets				
Cash and cash equivalents	10	29,705	-	29,705
Trade and other receivables	11	10,743	-	10,743
Other assets	12	64,447	-	64,447
Total financial assets		**104,895**	**-**	**104,895**

30 June 2020	Notes	Other liabilities amortised cost $	Other liabilities FVTPL $	Total $
Financial liabilities				
Financial liabilities - current	16	110,000	-	110,000
Trade and other payables	14	154,931	-	154,931
Financial liabilities – non-current	16	104,167	-	104,167
Total financial liabilities		**369,098**	**-**	**369,098**

26 Parent entity information

Information relating to Mobile Business Devices Pty Ltd (the Parent Entity):

	Note	2021 $	2020 $
Statement of financial position			
Current assets		401,580	104,895
Total assets		**2,065,833**	**1,752,686**
Current liabilities		364,377	293,508
Total liabilities		**636,673**	**658,911**
Net assets		**1,429,160**	**1,093,775**
Issued capital		3,440,987	2,199,319
Accumulated losses		(2,011,827)	(1,105,544)
Total equity		**1,429,160**	**1,093,775**
Statement of profit or loss and other comprehensive income			
Loss for the year		(906,283)	(537,888)
Total comprehensive loss		**(906,283)**	**(537,888)**

The Parent Entity had no capital commitments at year end.

27 Earnings per share

Basic EPS is calculated by dividing the profit/(loss) for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit/(loss) attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS calculations:

	Note	2021 $	2020 $
Net loss attributable to ordinary equity holders of the Company			
Loss attributable to ordinary equity holders of the parent for basic earnings		(906,283)	(537,888)
Weighted average number of ordinary shares for basic EPS		**60,952,488**	**44,204,340**
Weighted average number of ordinary shares for diluted EPS		**61,026,894**	**44,230,382**

2021

Period	No of shares outstanding	Diluted	Basic
July 2020 - December 2020	49,238,189	24,619,094	24,619,095
January 2021 - March 2021	72,095,360	18,023,840	18,023,840
April 2021 - May 2021	73,238,217	12,206,370	12,206,370
June 2021	74,131,074	6,177,590	6,103,184
Total weighted average number of shares outstanding		**61,026,894**	**60,952,489**

2020 Period	No of shares outstanding	Diluted	Basic
July 2019	40,807,000	3,400,583	3,400,583
July - December 2019	44,513,189	18,547,162	18,547,162
January - May 2020	44,513,189	18,547,162	18,547,162
June 2020	44,825,689	3,735,475	3,709,433
Total weighted average number of shares outstanding		**44,230,382**	**44,204,340**

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

28 Events after the reporting date

In November 2021 the Group raised $500,000 via the issue of 50,000,000 shares.

No other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

29 Group details

The registered office and principal place of business of the Group is:

Mobile Business Devices Pty Ltd
Suite 1/ 57 Forrest Street
Subiaco WA 6008

Directors' Declaration

1. In the opinion of the Directors of Mobile Business Devices Pty Ltd:

    a. The consolidated financial statements and notes of Mobile Business Devices Pty Ltd are in accordance with the *Corporations Act 2001*, including:

        i. Giving a true and fair view of its financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and

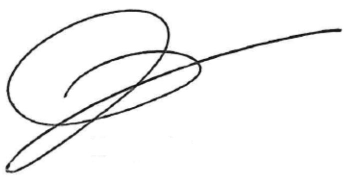
        ii. Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

    b. There are reasonable grounds to believe that Mobile Business Devices Pty Ltd will be able to pay its debts as and when they become due and payable.

2. Note 2 confirms that the consolidated financial statements comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors



Mark Waller
Director

Dated the 4th day of February 2022

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Independent Auditor's Report

To the Members of Mobile Business Devices Pty Ltd

Report on the audit of the financial report

Opinion

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

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

a giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial statements, which indicates that the Group incurred a net loss of $906,283 during the year ended 30 June 2021, and as of that date, the Group recorded operating cash outflows of $804,421. 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 Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's financial report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors' for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf. This description forms part of our auditor's report.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

L A Stella
Partner – Audit & Assurance

Perth, 4 February 2022