IOUpay Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	IOUpay Limited
ABN:	11 091 192 871
Reporting period:	For the year ended 30 June 2023
Previous period:	For the year ended 30 June 2022

2. Results for announcement to the market

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Revenues from ordinary activities	up	12.9%	to	9,485,500
Loss from ordinary activities after tax attributable to the owners of IOUpay Limited	up	262.7%	to	(36,345,472)
Loss for the year attributable to the owners of IOUpay Limited	up	262.7%	to	(36,345,472)

Dividends
There were no dividends paid, recommended or declared during the current financial period.

Comments
The loss for the consolidated entity after providing for income tax amounted to $36,345,472 (30 June 2022: $10,020,194).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	1.85	8.38

4. Control gained over entities

Name of entities (or group of entities)	Sibu Kurnia Marine Sdn Bhd
Date control gained	7 November 2022

	$
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)	(1,506,346)
Profit/(loss) from ordinary activities before income tax of the controlled entity (or group of entities) for the whole of the previous period (where material)	-

5. Loss of control over entities

Name of entities (or group of entities)	My Play Company Limited

6. Dividends

Current period
There were no dividends paid, recommended or declared during the current financial period.

Previous period
There were no dividends paid, recommended or declared during the previous financial period.

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7. Dividend reinvestment plans

Not applicable.

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8. Details of associates and joint venture entities

Not applicable.

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9. Foreign entities

Details of origin of accounting standards used in compiling the report:

Not applicable.

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10. Audit qualification or review

Details of audit/review dispute or qualification (if any):

The financial statements have been audited and an unmodified opinion has been issued.

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11. Attachments

Details of attachments (if any):

The Annual Report of IOUpay Limited for the year ended 30 June 2023 is attached.

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12. Signed

Signed ____________________________ Date: 5 December 2023

David Halliday
Non-Executive Chairman

IOUpay Limited

ABN 11 091 192 871

Annual Report - 30 June 2023

Directors	David Halliday Greg Woszczalski Mohammad Shahruddin
Company secretary	James Barrie
Registered office	c/- Prime Company Compliance, Level 16, 414 La Trobe Street, MELBOURNE, VIC, AUSTRALIA, 3000
Principal place of business	c/- Prime Company Compliance, Level 16, 414 La Trobe Street, MELBOURNE, VIC, AUSTRALIA, 3000
Share register	Automic Registry Services Level 5, 126 Phillip Street, SYDNEY, NSW, AUSTRALIA, 2000
Auditor	Connect National Audit Level 14, 333 Collins Street. Melbourne VIC 3000
Stock exchange listing	IOUpay Limited shares are listed on the Australian Securities Exchange (ASX code: IOU) The company's shares are currently suspended from trading.
Corporate Governance Statement	Refer to the company's website at https://iou-pay.com

IOUpay Limited
Chairman's letter
30 June 2023

Dear Shareholders,

On behalf of the board of IOUpay Limited (**IOUpay**), I would like to thank shareholders for their continued support of the company over the past 12 months – which we understand has been both volatile and challenging.

By way of recap, my fellow directors and I were appointed to the board of directors, via a meeting of shareholders, on the 3rd of May 2023. Shortly after this on 23rd May 2023, your board successfully prosecuted a case, heard by her Honor Justice Kate Williams, in the Supreme Court of NSW [Halliday vs IOUpay Limited], in which the company was removed from the administrative purview of PricewaterhouseCoopers (PwC) and handed back to the new directors to continue operations. This was the first time Section 447(A) of the Corporations Act (Cth) had been successfully used for such purposes and created case law in the process.

Given the state of the company's affairs as inherited upon the successful judgement, significant work by the board and consultants since that time has been required. This included, amongst other things, numerous board meetings as well as travel to the Malaysian operations. All of this has culminated in a plan that sits under what are defined as four main strategic priorities – all of which are intended to create shareholder value. Those categories and our general progress to date are listed below:

<u>Funding – To ensure the business is appropriately funded:</u>

Since our appointment the board have:

- Entered a loan facility agreement with Finran Pty Ltd of up to AUD 4,500,000 (**Finran Loan**);
- A convertible note agreement to raise AUD 300,000, which has since been repaid by issue of shares;
- Following shareholder approval at the Extraordinary General Meeting held 6 October 2023, the issue of 200,000,000 shares at AUD 0.01 to raise AUD 2,000,000; and
- Converted the Finran Loan to shares in the company at AUD 0.01, thereby eliminating all company debt.

<u>Control – To review, implement controls and "right-size the operations in Malaysia:</u>

To this end, we have undertaken a large cost reduction effort across the fixed and variable overhead of the Malaysian operations. This has included:

- A large headcount reduction, which now numbers 16 FTE headcount;
- The closure of the IOU Pay (Asia) business and ensuring any expense in this business unit relates only to recovery of outstanding loan balances; and
- The relocation of office premises to the major shareholder Finran's offices on substantially favourable commercial terms.

We also continue to support and invest in the iSentric business in Malaysia which is performing to management expectations. Separately, we are monitoring and managing our passive investment in I'Destinasi Sdn Bhd (IDSB) and will update shareholders with any substantial developments as they come to hand.

<u>Recover – To vigorously pursue any alleged misappropriation of shareholder funds prior to the current board's appointment.</u>

In this regard a large amount of work has taken place. IOUpay appointed Izral Partnership, a Malaysian-based firm with civil fraud expertise, to undertake a detailed investigation into the alleged misappropriation of funds by previous directors, consultants and other related parties. This work was reviewed by Mr Geoffrey McDonald (Barrister at Law) on behalf of the board. Mr McDonald also supported the Doran Cook (SC) in the matter Halliday vs IOUpay referred to earlier and as such was familiar with the matters at hand.

With the Izral Partnership's work completed the board have recently appointed Internationally recognised law firm Herbert Smith Freehills ("Freehills") to prosecute the alleged frauds as well as explore the potential for various other cases that may be available to the company and/or its shareholders. The multi-jurisdictional representation and deep internal expertise on all matters relevant to the recovery efforts of Freehills give the board confidence in the maximisation of success in any such actions.

<u>Reinstatement – to undertake all activities required to ensure compliance with regulatory obligations and moreover the ultimate re-quotation of the Company's shares on the ASX.</u>

IOUpay Limited
Chairman's letter
30 June 2023

The company has completed an audit of the 2023 financial year, including consideration of any restatement of the 2022 financial year. These were prerequisite to this annual report and the subsequent calling of the company's Annual General Meeting. These themselves are pre-cursor requirements for an approach to the Australian Stock Exchange (ASX) seeking re-quotation of the company's shares on the ASX. The company has, and will continue to, work closely with ASX and other regulators to make every effort to have the shares requoted in the timeliest manner possible.

On behalf of the board, I look forward to continuing to execute against the four strategic pillars outlined above over the coming year. I would like to thank you as shareholders for your continued support, along with our staff in Malaysia and of course my fellow directors. We will continue to update you as we make progress against these key initiatives.

David Halliday

Chairman

IOUpay Limited
Directors' report
30 June 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of IOUpay Limited (referred to hereafter as “IOUpay”, the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2023.

Directors
The following persons were directors of IOUpay Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

David Halliday (appointed 3 May 2023)
Greg Woszczalski (appointed 3 May 2023)
Mohammad Shahruddin (appointed 3 May 2023)
Kwong Yang Chong (removed 3 May 2023)
Lee Chin Wee (removed 3 May 2023)
Paul Russell (removed 3 May 2023)
Datuk Khairul Idham Bin Ismail (removed 3 May 2023)
Byung Moo Shin (resigned 24 November 2022)
Wan Asmadi Wan Ahmad (resigned 5 March 2023)

Principal activities
IOUpay Limited (ASX: IOU) specializes in providing advanced fintech and digital commerce software solutions, empowering institutional clients to securely and efficiently authenticate end-user customers while seamlessly managing banking, purchasing, and payment transactions.

Our foundational technology platform facilitates the seamless connection of extensive customer communities to end-users through various mobile devices, seamlessly integrating mobile technology into their existing business and customer product portfolios. IOUpay's operational segments include Mobile Banking, Digital Payments, and Digital Services, serving the top 20 banks in Malaysia, along with prominent telecommunications companies and corporations in Malaysia and Indonesia.

Furthermore, IOUpay collaborates with telecommunication network providers to deliver mobile Over-The-Top (OTT) services, leveraging their subscriber base to foster vibrant and engaged communities.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $36,345,472 (30 June 2022: $10,020,194).

Mobile Banking Division Continues Growth Trajectory (iSentric)

The Company Mobile Banking Division continued to perform solidly during the year, with the December quarter recording record results with monthly transaction events exceeding 30 million for the first time. The performance of the business during the second half of the financial year was weaker, impacted by Chinese New Year in January 2023 and Ramadan during March and April 2023.

The Mobile Banking Division is strategically positioned for substantial growth in the final half of 2023 Calendar year driven by a strategy involving nuanced pricing adjustments, the strategic onboarding of new clients, and a collaborative venture with Huawei, a key industry partner.

Furthermore, the Company is actively and aggressively pursuing collaborations with large corporations to enhance and expand its fintech solutions. This proactive approach aims to provide an even more robust and comprehensive offering to clients.

In conclusion, the Company's strategic initiatives, which include strong collaborations with large corporations, position it as a significant contributor poised for substantial growth in SMS traffic, revenue, and profitability in the final quarter of 2023.

Strategic Investment in IDSB

The Company owns a 21% investment in I.Destinasi Sdn Bhd (“IDSB”). IDSB is a private company incorporated in Malaysia in 1981, which operates a financial services business focusing on providing instalment-based consumer credit services to civil servants for and on behalf of Malaysian banks.

The investment in IDSB is accounted for as an investment in an associate using the equity method. The Company's share of IDSB's profit is presented as a separate line item (being "share of profit from associates") as distinct from IDSB's primary operating profit (in accordance with all the relevant accounting standards). This provides shareholders with clear visibility of the financial impact of the investment.

IDSB recorded revenues of RM31,681,894 (AUD$10,439,184) and profit before tax of RM18,042,607 (AUD$5,945,039) for the financial year ending 31 December 2022. IDSB reports on a Calendar year basis (1 January to 31 December).

Interim results for IDSB recorded revenues of RM19,240,688 (AUD$6,339,806) and profit before tax of RM $10,687,961 (AUD$3,521,683) for the half year to 30 June 2023.

Finally, IDSB paid dividends to the Company totaling RM$2,318,400 (AUD$763,913) during the period from 1 July 2022 to 30 June 2023.

myIOU BNPL

In FY2023, positive market traction was achieved, but insufficient income levels post the new board's appointment in May 2023 led to a crucial decision. Governance challenges inherited from the prior board compelled the current board to terminate the business, considering its limited market presence and the declining trend in the Buy Now, Pay Later (BNPL) sector.

Responding to evolving business needs, the current board strategically adjusted staffing levels. From 135 employees in December 2022, we streamlined to 57 by June 2023 and further refined to 23 currently. These measures aim to ensure operational efficiency and position the company for sustained growth and adaptability. Unfortunately, given market dynamics and challenges, termination is deemed necessary, reflecting a comprehensive and forward-looking approach to navigate through transition for a more sustainable future.

Significant changes in the state of affairs
On 7 March 2023, the Company announced it had received a notice requisitioning a shareholder's meeting under section 249D of the Corporations Act 2001 (Cth) (**Notice**). The Notice requested an Extraordinary General Meeting (**EGM**) be held to remove the then existing directors of the Company, and in their stead, appoint three new directors.

On 13 March 2023, the Company announced its CFO, Kenneth Kuan, had been dismissed with immediate effect.

On 16 March 2023, the Company requested a suspension from trading of its shares on ASX, effective immediately, justification being the Company had discovered serious financial irregularities in its Malaysian business. This announcement was followed by a market update on 22 March 2023 advising the suspected significant fraud was being investigated by Malaysian police. On the same day, the Company advised legal action had been served in the Federal Court by Clee Capital Pty Ltd (**Clee Capital**), representing shareholders in the 249D Notice outlined above.

On 27 March 2023, the Company announced search and seizure orders had been executed in Malaysia against the former CFO and civil proceedings had been commenced in addition to criminal proceedings.

On 28 March 2023, the Company announced the restart of the BNPL business and revised business strategy.

On 31 March 2023, the Company lodged a Notice of Meeting for the purposes of the 249D Notice. On 4 April 2023, the Company advised the Federal Court proceedings commenced by Clee Capital had failed to obtain interim orders, with a further update provided on 6 April.

On 19 April 2023, the Company announced a trading update, followed by a letter to shareholders dated 20 April 2023 providing an update to fraud investigation and other matters. This included engagement of Crowe Malaysia PLT to conduct a forensic audit, falsified communications, attempts to gain unauthorised access to Company records, unauthorised related party loans, an update on previous interactions with Clee Capital and the Board's recommendation to vote against all resolutions at the upcoming EGM.

On 4 May 2023, results of the EGM were announced. All resolutions were passed by the requisite majority, resulting in the removal of existing directors (Mr Lee Chin Wee, Mr Khairul Ismail, Mr Paul Russell and Mr Kwong Yong Chang) and the appointment of Mr David Halliday, Mr Greg Woszczalski and Mr Mohammad Sharuddin as directors (**new directors**).

On 25 May 2023, the Company announced the Supreme Court of NSX had made orders for the administration of the Company to come to an end, following filing of an affidavit by David Halliday (a director of the Company) evidencing:

- New directors had entered into a loan agreement with Finran (Finran Loan);
- The loan had been drawn down in the sum of $1.75 million; and
- The sum of $1.75 million had been deposited into a trust account of Marque Lawyers, Mr Halliday's solicitors.

On termination of the administration, the directors of the Company had their powers restored effective 25 May 2023. On 26 May 2023, the Company appointed a new Company Secretary, following resignation of the incumbent.

On 27 June 2023, the Company announced the appointment of David Halliday as Non-Executive Chairman. It also announced a placement of 70,000,000 new ordinary shares in addition to a further $550,000 under then Finran facility, raising $1.25 million costs. The Company raising capital in the current economic environment was extremely challenging considering the Company's current ASX suspension and ongoing fraud investigations and litigations, which heavily impacted the pricing of the raise.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
On 31 August 2023, the company announced progress against its four key strategic priorities:-

- To ensure the business is appropriately funded ("Funding")
- To review, implement controls and "right-size" the business operations in Malaysia ("Control"),
- To vigorously pursue any alleged misappropriation of shareholder funds prior to the current board appointment ("Recover"), and
- To undertake all activities required to ensure compliance with regulatory obligations and moreover the ultimate re-quotation of the Company's shares on the ASX ("Reinstatement").

On 6 September 2023, the company released its Notice of Extraordinary General Meeting, seeking ratification of:

- Prior issue of 70m shares to Finran
- Proposed issue of shares to Finran upon conversion of up to $525k of existing debt
- Proposed issue of shares upon conversion of $300k convertible notes
- Proposed future placement of shares to raise up to $2m
- Prior issue of 15m of Feb21 $1.00 exercise priced adviser options

On 6 October 2023, the company announced the resullts of the EGM, noting all resolutions were passed by the requisite majority.

On 20 October 2023, issued the below shares pursuant to certain EGM resolutions:-

- 52.5m shares to convert $525k of the outstanding principal drawn down under the Finran Loan
- 30m shares pursuant to conversion of the convertible note
- 4.65m shares to settle the legal fees debt

On 3 November 2023, the company announced the placement of 65m shares to raise $650k before costs (costs of $39k, being 6% on funds raised, also settled by way of an issue of 3.9m shares).

On 6 November 2023, 15 million unlisted options with an exercise price of $1 expired.

On 28 November 2023, the Company announced it had completed a Placement, raising $2,000,000 through the issuance of 200m ordinary shares at an issue price of $0.01. These funds will be applied to fully repay the outstanding debt and accrued interest under the Finran loan facility, with the balance applied to working capital. Repayment of this debt significantly improves the balance sheet and bottom line by eliminating ongoing interest expense associated with the debt facility and is a crucial step in the path to reinstatement on the ASX.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

Environmental regulation
The consolidated entity is not subject to any significant environmental regulation under Australian Commonwealth or State law.

The consolidated entity operates in Malaysia where it is subject to environmental regulation. There have been no breaches of these regulations during the year ended 30 June 2023.

Information on directors

Name:	David Halliday (appointed 3 May 2023)
Title:	Non-Executive Chairman
Qualifications:	B Eng (Mech)
Experience and expertise:	Mr David Halliday is a finance industry professional with over 20 years' experience across Macquarie Bank where he was an Associate Director through to Aesir Capital where he is a principal of the firm. Highly experienced in Capital Markets (Equity and Debt), Derivatives, Corporate Finance, Corporate Advisory and Mergers and Acquisitions of listed and unlisted companies, David brings a broad and well-rounded range of experiences to the Chair.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Chair of the Board
Interests in shares:	Nil

Name:	Greg Woszczalski (appointed 3 May 2023)
Title:	Non-Executive Director
Qualifications:	Master of Business Administration - MBA, Bachelor of Commerce (Econ), Graduate Diploma in Financial Planning
Experience and expertise:	Mr Greg Woszczalski has worked across many businesses over the past 22 years in the SME sector, structuring and implementing cash flow and finance solutions and consulting on company restructure. Greg is currently an Executive Director of Grow Finance Limited, a leading non bank business lender which he founded in 2016. Grow Finance Limited accolades include being the fastest growing company in Australia in 2021 on the AFR Fast100 list and top 10 fastest growing companies in 2022 and 2023 on the Financial Times High Growth Companies Asia-Pacific list. Prior to Grow Finance Limited, Greg co-founded 180 Group in 2003 which developed into a leading non-bank lender which was divested to an ASX listed entity in 2015. Greg commenced his career at Merrill Lynch where he specialised in institutional debt and derivatives trading, working closely with the debt capital markets team and reported to Merrill Lynch globally on debt market transactions and flows. Greg has held board positions at the Turnaround Management Association of Australia, the Debtor and Invoice Finance Association of Australia and New Zealand as well as several unlisted entities.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	Nil

Name:	Mohammad Shahruddin (appointed 3 May 2023)
Title:	Non-Executive Director
Qualifications:	Diploma Computer Science + Degree Information Technology (UITM)
Experience and expertise:	Mr.Mohammad Azizuddin Shahruddin or better known as AJ to his global networks is a Technopreneur in South East Asia. His based between Kuala Lumpur and Jakarta, started his career 23 years ago during the famous Dot Com 1.0 era. He is an all-rounder person that has strong industry ecosystem knowledge, well connected & know who's who at govtech, telco sector, techstartup ecosystem and Venture Capital & Private Equity industries especially in the South East Asia region. A computer science professional and IT by trained turned technopreneur, venture fund manager and investment banker, he had broad career ranges from technopreneurship & leadership roles in information technology industries, mobile media, internet companies, venture fund, investment bank and also served as board of director, advisor to unlisted & listed companies. He was involved in various Malaysia & International companies to established business ventures around the region.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	Nil

Name:	Mr Lee Chin Wee
Title:	Executive Director, (removed 3 May 2023)
Qualifications:	Mr Lee holds a First Class BEng (Hon) degree in Electrical & Electronic Engineering from University College London and a Master of Business Administration (MBA) from University of Malaya.
Experience and expertise:	Mr Lee has over 20 years' experience in a Fintech space, mobile payment, mobile banking solutions, digital marketing and telecommunication industry. He was a former business consultant of Accenture focusing on telecommunications billing systems, product developments and revenue assurance.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Interests in shares:	N/A

Name:	Mr Datuk Khairul Idham Bin Ismail
Title:	Non-Executive Director (removed 3 May 2023)
Qualifications:	Mr Idham Bin Ismail D.P.S.M. is a lawyer by profession. Datuk Khairul was called to the Malaysian Bar in September 2000 and holds a LLB (2nd Class Upper Division) from King's College, London and a Certificate in Legal Practice (C.L.P.) from the Legal Profession Qualifying Board of Malaysia.
Experience and expertise:	Datuk Khairul started his legal career with Messrs David Chong & Co in 2000 before joining the Corporate Secretarial and Legal Department of MMC Corporation Berhad in January 2003. In 2006 Datuk Khairul joined Messrs Naqiz & Partners and was promoted to become its Managing Partner in 2015. Datuk Khairul's experience in the legal industry includes all corporate & commercial matters, capital markets, Islamic banking & finance, construction and real estate transactions, infrastructure and projects, corporate restructuring, public-private partnerships, privatisation and intellectual property.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Special responsibilities:	Member of Audit & Risk Committee
Interests in shares:	N/A

Name:	Mr Paul Russell
Title:	Executive Director (removed 3 May 2023)
Experience and expertise:	Paul Russell brings 15 years of institutional banking experience with Australia's leading financial institutions as a senior structured asset finance practitioner. Operating out of Sydney, he originated and executed transactions for large corporates, governments and institutional relationships across Australia and the Asia-Pacific region. Ranging from big-ticket capex funding for mining, aviation and marine equipment through to portfolio finance for specialised non-bank financial institutions, Paul's transaction and relationship experience has covered a range of industries, jurisdictions, regulatory frameworks and credit profiles. In his previous role as Director, Structured Asset Finance at Westpac Institutional Bank, Paul was involved in building a portfolio of direct and third-party originated receivables, relationship management, product development, credit structuring & evaluation, and growing the bank's Debt Capital Markets business.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	Nil

Name:	Mr Kwong Yang Chong
Title:	Non-Executive Director (removed 3 May 2023)
Experience and expertise:	Kwong Yang Chong is of Australian nationality. Kwong Yang Chong is the Chief Financial Officer of Donaco International Limited. He has substantial experience in finance and accounting and is a CPA Australia member. Kwong Yang Chong’s relevant experience includes Audit manager at Ernst & Young for ten years, Financial controller of a leading commercial advertisement production Group in Malaysia for 10 years, Corporate Finance Manager and Company Secretary of Eaton Industries Pty Ltd, a wholly owned company of Eaton Corporation, a Fortune 500 company listed on the US stock exchange; and Chief Financial Officer of Donaco International Ltd (an ASX listed company).
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Special responsibilities:	Chairman of the Audit and Risk Committee, elected Executive Chairman of the Board on 9 March 2023
Interests in shares:	N/A

Name:	Mr Byung Moo Shin
Title:	Non-Executive Director (resigned 24 November 2023)
Experience and expertise:	Mr Shin is a commercial lawyer by profession holding an LLB, Bachelor of Commerce & Bachelor of Laws from The University of Sydney {2011) and having been admitted as a Lawyer of the Supreme Court of New South Wales by the NSW Legal Profession Admission Board in 2012. Mr Shin specialises in institutional investment and asset management, specifically inbound and outbound South Korean investment across a diverse range of industries. Mr Shin has a strong passion for the financial technology sector and has held senior executive roles with Trihill Partner Investment Management and Hangang Asset Management in Seoul, South Korea and Manhattan, New York.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Interests in shares:	N/A

Name:	Dato' Wan Asmadi Wan Ahmad
Title:	Non-Executive Chairman (resigned 24 November 2022)
Qualifications:	Mr Wan Ahmad holds a Bachelor of Business Administration (1989) and a Master of Business Administration (1996) from Temple University, Philadelphia, USA.
Experience and expertise:	He is currently one of the nine members of the Market Participants Committee of Malaysia's national securities exchange, Bursa Malaysia. He is also the current Chairman of the Association of Corporate Finance Advisers (Malaysia) and a Corporation Member of Pahang State Development Corporation. Currently, Mr Wan Ahmad is the Managing Principal of DWA Advisory Sdn Bhd (DWA), a corporate advisory firm he established in 2013, where he has successfully led a team of 12 personnel and has been involved in mergers and acquisitions and fundraising activities Prior to DWA, Mr Wan Ahmad spent close to a decade in various senior executive roles with Maybank Investment Bank Berhad, Kuala Lumpur including, EVP/Head of Islamic Capital Markets and EVP/Head of Dealing, Equity Capital Markets, which culminated in his appointment as Chief Operating Officer of the bank's Saudi Arabia division in 2009.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Special responsibilities:	Member of Audit & Risk Committee, Non-Executive Chairman
Interests in shares:	N/A

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
James Barrie, who was appointed Company Secretary on 26 May 2023, is a professional Director and Company Secretary and provides the Company with a range of commercially focussed professional services and knowledge, including governance, share registry and employee equity plans, stakeholder relations support and virtual shareholder meetings. Mr Barrie (B.Bus, DiplInvRel, CPA, GAICD) is currently a director and/or secretary of several ASX-listed, NSX-listed and unlisted companies.

Previous company secretaries during the year ended 30 June 2023:
Jarrod White (1 July 2022, resigned 11 November 2022)
Louisa Ho (appointed 11 November 2022, resigned 6 March 2023)
Ben Reichel (appointed 6 March 2023, resigned 26 May 2023)

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2023, and the number of meetings attended by each director were:

	Full Board		Audit and Risk Committee	
	Attended	Held	Attended	Held
David Halliday	3	3	-	-
Greg Woszczalski	3	3	-	-
Mohammad Shahruddin	3	3	-	-
Lee Chin Wee	24	24	-	-
Datuk Khairul Idham Bin Ismail	22	24	4	6
Paul Russell	24	24	-	-
Kwong Yang Chong	23	24	-	-
Wan Ahmad	19	19	6	6
Byung Moo Shin	11	11	6	6

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

Remuneration of Directors and key management personnel of the Group is established by the Board. Remuneration of executives is determined as part of an annual performance review, having regard to market factors and a performance evaluation process. The remuneration framework is designed to align executive reward with achievement of strategic objectives and the creation of value for shareholders, and aligns with good practice in remuneration. For Non-Executive Directors, remuneration packages comprise salary and superannuation. Remuneration packages for executives also include salary and superannuation, and in addition they may be offered incentives. Short-term incentives are payable on a cash basis. Longer-term incentives are granted to eligible participants as options under the IOUpay Limited Employee Option Plan, which seeks to align the interests of eligible participants with the interests of shareholders. Non-Executive Directors do not receive incentives or performance-based payments.

The Non-Executive Directors are responsible for evaluating the performance of the Executive Director, and the Chief Executive Officer, who in turn evaluates the performance of all other senior executives.
In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Performance based remuneration
Performance based remuneration of executives is evaluated based on specific criteria, including the Group's business performance and achievement of revenue and Net Profit After Tax (NPAT) targets, whether short and long-term objectives are achieved and individual performance objectives.
Non-executive directors remuneration
Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed periodically by the Board to ensure they remain appropriate and in line with the market.

ASX listing rules require the aggregate non-executive Directors' remuneration be determined periodically by a general Meeting, and shareholders most recently approved a maximum annual aggregate remuneration of $250,000. This amount may be divided among Non-Executive Directors in the manner determined by the Board from time to time.

Director fees paid or payable to Non-Executive Directors for the year ended 30 June 2023 totaled $225,536. The remuneration for the Non-Executive Directors as at the date of this report is $50,000 per annum, with the Non-Executive Chair receiving remuneration of $70,000 per annum.

Directors’ fees cover all main Board activities. Directors who perform additional duties over and above that of normal Director’s duties are remunerated on commercial terms and conditions.

Executive remuneration
In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Company and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration has been compared with the external market by participation in industry salary surveys and during recruitment activities generally.

Use of remuneration consultants
During the financial year ended 30 June 2023, the consolidated entity did not make use of remuneration consultants.

Voting and comments made at the Company's Annual General Meeting ('AGM') held 24 November 2022
At the 2022 AGM, 86.59% of votes cast supported the adoption of the remuneration report for the year ended 30 June 2022. The current directors are not aware of any specific feedback at, prior to or following the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2023	Cash salary and fees $	Consulting fees $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
David Halliday	30,602	-	-	-	-	-	30,602
Greg Woszczalski	7,930	-	-	-	-	-	7,930
Mohammad Shahruddin	7,930	-	-	-	-	-	7,930
Wan Ahmad	65,590	-	-	-	-	-	65,590
Datuk Khairul Idham Bin Ismail	40,000	-	-	-	-	-	40,000
Byung Moo Shin	21,484	-	-	-	-	-	21,484
Kwong Yang Chong	52,000	46,612	-	-	-	-	98,612
Executive Directors:							
Lee Chin Wee	130,439	-	-	-	-	-	130,439
Paul Russell	40,000	94,500	-	-	-	-	134,500
Other Key Management Personnel:							
Kenneth Kuan Choon Hsuing	173,542	-	-	-	-	-	173,542
	569,517	141,112	-	-	-	-	710,629

2022	Short-term benefits Cash salary and fees $	Cash bonus $	Non-monetary $	Post-employment benefits Super-annuation $	Long-term benefits Long service leave $	Share-based payments Equity-settled $	Total $
Non-Executive Directors:							
Wan Ahmad	-	-	-	-	-	-	-
Datuk Khairul Idham Bin Ismail	46,908	-	-	-	-	-	46,908
Byung Moo Shin	54,000	-	-	-	-	-	54,000
Kwong Yang Chong	59,400	-	-	-	-	-	59,400
Executive Directors:							
Lee Chin Wee	284,147	-	-	-	-	164,388	448,535
Paul Russell	178,800	-	-	-	-	27,398	206,198
Other Key Management Personnel:							
Kenneth Kuan Choon Hsuing	273,632	-	-	-	-	268,186	541,818
	896,887	-	-	-	-	459,972	1,356,859

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2023	Fixed remuneration 2022	At risk - STI 2023	At risk - STI 2022	At risk - LTI 2023	At risk - LTI 2022
Non-Executive Directors:						
David Halliday	100%	-	-	-	-	-
Greg Woszczalski	100%	-	-	-	-	-
Mohammad Shahruddin	100%	-	-	-	-	-
Wan Ahmad	100%	100%	-	-	-	-
Datuk Khairul Idham Bin Ismail	100%	100%	-	-	-	-
Byung Moo Shin	100%	100%	-	-	-	-
Kwong Yang Chong	100%	100%	-	-	-	-
Executive Directors:						
Lee Chin Wee *	100%	63%	-	-	-	37%
Paul Russell **	100%	86%	-	-	-	14%
Other Key Management Personnel:						
Kenneth Kuan Choon Hsuing ***	100%	50%	-	-	-	50%

* 1,800,000 options to Lee Chin Wee were approved at the AGM held 21/12/21. % fixed / at risk based on the valuation of these options as a proportion of wages paid for the year ended 30/6/21.

** 300,000 options to Paul Russell were approved at the AGM held 21/12/21. % fixed / at risk based on the valuation of these options as a proportion of wages paid for the year ended 30/6/21.

*** 1,200,000 options to Kenneth Kuan Choon Hsuing were approved at the AGM held 21/12/21. % fixed / at risk based on the valuation of these options as a proportion of wages paid for the year ended 30/6/21.

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	David Halliday
Title:	Non-Executive Chairman
Agreement commenced:	3 May 2023
Term of agreement:	Annual Non-Executive Chairman fees currently agreed to be paid by the Company are $70,000 per annum plus superannuation.

Name:	Greg Woszczalski
Title:	Non-Executive Director
Agreement commenced:	3 May 2023
Term of agreement:	Annual Non-Executive Director fees currently agreed to be paid by the Company are $50,000 per annum plus superannuation.

Name:	Mohammad Shahruddin
Title:	Non-Executive Director
Agreement commenced:	3 May 2023
Term of agreement:	Annual Non-Executive Director fees currently agreed to be paid by the Company are $50,000 per annum plus superannuation

Name:	Paul Russell (removed 3 May 2023)
Title:	Executive Director
Term of agreement:	Consultancy agreement on a month-to-month basis, fees of $10,500 per month (ex-GST).

The current Board has no record of a service agreements or other supporting documents for the following previous directors and key management personnel:

- Wan Ahmad
- Datuk Khairul Idham Bin Ismail
- Byung Moo Shin
- Kwong Yang Chong
- Paul Russell (director fee)
- Lee Chin Wee
- Kenneth Kuan Choon Hsuing

The current directors have satisfied themselves that amounts paid to the previous directors and key management personnel over the year ended 30 June 2023 are generally consistent with amounts paid the prior year. The current directors noted the disclosure in the Company’s 2022 Annual Report that, aside from the consultancy agreement for Paul Russell, there were no service agreements with the other directors.

Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2023.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2023.

Additional information
The earnings of the consolidated entity for the five years to 30 June 2023 are summarised below:

	2023 $	2022 $	2021 $	2020 $	2019 $
Sales revenue	9,485,500	8,399,809	7,186,717	6,390,287	6,599,911
Loss after income tax	(36,345,472)	(10,020,194)	(4,793,588)	(2,610,228)	(4,698,054)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2023	2022	2021	2020	2019
Basic earnings per share (cents per share)	(6.45)	(1.82)	(1.14)	(1.37)	(2.56)
Diluted earnings per share (cents per share)	(6.45)	(1.82)	(1.14)	(1.37)	(2.56)

Additional disclosures relating to key management personnel

Shareholding
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Ordinary shares	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Kwong Yang Chong *	38,000	-	-	(38,000)	-
Kenneth Kuan Choon *	5,292,843	-	-	(5,292,843)	-
Lee Chin Wee *	400,000	-	-	(400,000)	-
Paul Russell *	100,000	-	-	(100,000)	-
David Halliday	-	-	-	-	-
Greg Woszczalski	-	-	-	-	-
Mohammad Shahruddin	-	-	-	-	-
Wan Ahmad *	-	-	-	-	-
Datuk Khairul Idham Bin Ismail *	-	-	-	-	-
Byung Moo Shin *	-	-	-	-	-
	5,830,843	-	-	(5,830,843)	-

* No longer in office at 30 June 2023.

Option holding
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Options over ordinary shares	Balance at the start of the year	Granted	Expired	Expired/ forfeited/ other	Balance at the end of the year
Kwong Yang Chong *	-	-	-	-	-
Kenneth Kuan Choon *	1,700,000	-	(900,000)	(800,000)	-
Lee Chin Wee *	1,200,000	-	-	(1,200,000)	-
Paul Russell *	200,000	-	-	(200,000)	-
David Halliday	-	-	-	-	-
Greg Woszczalski	-	-	-	-	-
Mohammad Shahruddin	-	-	-	-	-
Wan Ahmad *	-	-	-	-	-
Datuk Khairul Idham Bin Ismail *	-	-	-	-	-
Byung Moo Shin *	-	-	-	-	-
	3,100,000	-	(900,000)	(2,200,000)	-

* No longer in office at 30 June 2023.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of IOUpay Limited under option at the date of this report are as follows:

Grant date	Expiry date	Number under option
8 February 2022 *	27 January 2024	1,600,000
8 February 2022 **	27 January 2024	1,600,000
		-
		3,200,000

* Nil exercise price, vesting on 10-day VWAP of over $0.35
** Nil exercise price, vesting on 10-day VWAP of over $0.425

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of options
There were no ordinary shares of IOUpay Limited issued on the exercise of options during the year ended 30 June 2023 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
The board are aware of certain claims and allegations relating to the possible misappropriation of IOUpay funds.

After detailed investigations, interviews and various meetings with relevant individuals, lawyers and consultants, the board have agreed to a framework, outlined by our advisors, to purse and potentially recover funds on behalf of IOUpay shareholders.

The board continues to work with our advisors to determine the magnitude of potentially recoverable funds and will continue to update the market accordingly as further information comes to hand. The board remains vigilant in ensuring that any expected recovery costs still allow for an acceptable overall return to shareholders based on the probability and likelihood of recovery against those costs.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 29 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 29 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Connect National Audit
There are no officers of the company who are former partners of Connect National Audit .

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 immediately after this directors' report.

Auditor
The previous auditors of the Company, MNSA Pty Ltd (**MNSA**), were removed from office in accordance with section 329 of the Corporations Act 2001 (Cth), following approval by shareholders at the Extraordinary General Meeting held 6 October 2023 (**EGM**).

At the same EGM, subject to approval of the resolution to remove MNSA as auditor, shareholders approved the appointment of Connect National Audit as auditor of the Company in accordance with section 3297Dof the Corporations Act 2001 (Cth),

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

On behalf of the directors

David Halliday
Non-Executive Chairman

5 December 2023

CNA CONNECT NATIONAL AUDIT

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the audit of IOUpay Limited for the year ended 30 June 2023, 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.

This declaration is in respect of IOUpay Limited and its controlled entities.

George Georgiou FCA
Managing DIrector
Connect National Audit Pty Ltd
ASIC Authorised Audit Company No.: 521888
Melbourne, Victoria
Date: 05 December 2023

IOUpay Limited
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30 June 2023

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General information

The financial statements cover IOUpay Limited as a consolidated entity consisting of IOUpay Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is IOUpay Limited's functional and presentation currency.

IOUpay Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

c/- Prime Company Compliance, Level 16, 414 La Trobe
Street, MELBOURNE, VIC, AUSTRALIA, 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 5 December 2023. The directors have the power to amend and reissue the financial statements.

IOUpay Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2023

	Note	Consolidated 2023 $	2022 $
Revenue	4	9,485,500	8,399,809
Other income	5	2,745,338	3,161,691
Expenses			
Cost of sales		(6,951,942)	(6,018,674)
Administration expenses		(851,593)	(933,062)
Marketing expenses		(973,413)	(2,004,324)
Travel expenses		(156,270)	(92,484)
Employee benefits expense		(3,955,346)	(4,253,322)
Insurance expenses		(54,057)	(48,867)
Depreciation and amortisation expense		(648,117)	(512,016)
Impairment of receivable	8	(20,815,475)	(680,507)
Impairment of property plant and equipment	14	(589,371)	-
Impairment of goodwill on consolidation	15	(3,046,539)	-
Compliance and professional fees		(2,805,794)	(4,430,293)
Share-based payments		-	(1,003,105)
Impairment of investment in associate	12	(7,379,273)	-
Other expenses		(300,742)	(1,543,413)
Finance costs		(48,378)	(48,401)
Loss before income tax expense		(36,345,472)	(10,006,968)
Income tax expense	6	-	(13,226)
Loss after income tax expense for the year attributable to the owners of IOUpay Limited		(36,345,472)	(10,020,194)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(1,257,733)	(16,155)
Other comprehensive income for the year, net of tax		(1,257,733)	(16,155)
Total comprehensive income for the year attributable to the owners of IOUpay Limited		(37,603,205)	(10,036,349)
		Cents	**Cents**
Basic earnings per share	38	(6.45)	(1.82)
Diluted earnings per share	38	(6.45)	(1.82)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

IOUpay Limited
Statement of financial position
As at 30 June 2023

	Note	Consolidated 2023 $	Consolidated 2022 $
Assets			
Current assets			
Cash and cash equivalents	7	2,042,103	5,859,768
Trade and other receivables	8	1,507,806	20,716,813
Contract assets	9	677,360	509,493
Income tax refund due	10	2,974	10,698
Other	11	61,768	659,105
Total current assets		4,292,011	27,755,877
Non-current assets			
Investments accounted for using the equity method	12	13,592,369	20,653,297
Property, plant and equipment	13	8,991	739,607
Right-of-use assets	14	240,547	986,056
Intangibles	15	-	1,600,952
Total non-current assets		13,841,907	23,979,912
Total assets		18,133,918	51,735,789
Liabilities			
Current liabilities			
Trade and other payables	16	3,548,386	1,921,372
Contract liabilities	17	55,445	440,305
Borrowings	18	2,362,521	-
Lease liabilities	19	244,841	299,277
Income tax	20	-	40,249
Provisions	21	-	250,000
Total current liabilities		6,211,193	2,951,203
Non-current liabilities			
Lease liabilities	22	26,360	721,739
Provisions	23	64,498	61,494
Total non-current liabilities		90,858	783,233
Total liabilities		6,302,051	3,734,436
Net assets		11,831,867	48,001,353
Equity			
Issued capital	24	82,560,538	81,126,819
Reserves	25	(407,064)	909,214
Accumulated losses		(70,321,607)	(34,034,680)
Total equity		11,831,867	48,001,353

The above statement of financial position should be read in conjunction with the accompanying notes

IOUpay Limited
Statement of changes in equity
For the year ended 30 June 2023

Consolidated	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2021	80,611,576	439,014	(24,014,486)	57,036,104
Loss after income tax expense for the year	-	-	(10,020,194)	(10,020,194)
Other comprehensive income for the year, net of tax	-	(16,155)	-	(16,155)
Total comprehensive income for the year	-	(16,155)	(10,020,194)	(10,036,349)
Transactions with owners in their capacity as owners:				
Share-based payments	-	1,003,105	-	1,003,105
Exercise of options	516,750	(516,750)	-	-
Cost of capital raised	(1,507)	-	-	(1,507)
Balance at 30 June 2022	81,126,819	909,214	(34,034,680)	48,001,353

Consolidated	Issued capital $	Reserves $	Retained profits $	Total equity $
Balance at 1 July 2022	81,126,819	909,214	(34,034,680)	48,001,353
Loss after income tax expense for the year	-	-	(36,345,472)	(36,345,472)
Other comprehensive income for the year, net of tax	-	(1,257,733)	-	(1,257,733)
Total comprehensive income for the year	-	(1,257,733)	(36,345,472)	(37,603,205)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 24)	1,433,719	-	-	1,433,719
Transfer on lapse of options	-	(58,545)	58,545	-
Balance at 30 June 2023	82,560,538	(407,064)	(70,321,607)	11,831,867

The above statement of changes in equity should be read in conjunction with the accompanying notes

IOUpay Limited
Statement of cash flows
For the year ended 30 June 2023

	Note	Consolidated 2023 $	2022 $
Cash flows from operating activities			
Receipts from customers		7,381,385	25,177,122
Payments to suppliers and employees		(13,657,233)	(46,821,260)
Interest received		2,109	698,527
Interest and other finance costs paid		(36,057)	-
Other payments		-	(62,367)
Income taxes paid		(32,525)	(207,406)
Net cash used in operating activities	37	(6,342,321)	(21,215,384)
Cash flows from investing activities			
Payment for purchase of business, net of cash acquired	34	(1,505,117)	-
Payments for investment in associate		-	(23,941,445)
Payments for property, plant and equipment	13	(248,443)	(554,559)
Proceeds from disposal of property, plant and equipment		-	293
Dividends received		763,913	611,570
Net cash used in investing activities		(989,647)	(23,884,141)
Cash flows from financing activities			
Proceeds from issue of shares	24	1,521,850	-
Proceeds from borrowings		2,350,200	-
Share issue transaction costs		(88,131)	(1,507)
Repayment of lease liabilities		(269,616)	(19,976)
Net cash from/(used in) financing activities		3,514,303	(21,483)
Net decrease in cash and cash equivalents		(3,817,665)	(45,121,008)
Cash and cash equivalents at the beginning of the financial year		5,859,768	51,408,709
Effects of exchange rate changes on cash and cash equivalents		-	(427,933)
Cash and cash equivalents at the end of the financial year	7	2,042,103	5,859,768

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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.

Going concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The consolidated entity incurred a loss from ordinary activities of $36,345,472 (2022: $10,020,194). The loss in current year included non-cash impairments expenses of $31,830,657. For the year ended 30 June 2023 and had negative cash from operating activities of $6,342,321 (2022: $21,215,384).

The directors have reviewed the cashflow forecasts for the 2024 and 2025 financial years and believe that there are reasonable grounds to believe that the consolidated entity will be able to continue as a going concern due to the following factors:

- On 23 May 2023, the Company entered into a loan facility agreement with Finran Pty Ltd (Finran), pursuant to which Finran provided a loan facility of up to $4,500,000, of which $2,200,000 was undrawn as at 30 June 2023. At the General Meeting held 6 October 2023, shareholders approved the conversion of up to $525,000 of the drawn balance into new shares, with these new shares allotted on 19 October 2023. As at the date of this report, $2,200,000 remains undrawn and available.
- On 24 August 2023, the Company entered into a Convertible Note agreement with Brett Partridge, whereby 300,000 Convertible Notes (Notes) were issued at a face value of $1.00 per Note, raising $300,000. At the General Meeting held 6 October 2023, shareholders approved the issue of 30,000,000 new shares at a deemed issue price of $0.01 per share upon conversion of the Notes. These new shares were allotted on 19 October 2023, further improving the balance sheet of the Company.
- At the General Meeting held 6 October 2023, shareholders also approved the issue of up to 200,000,000 new shares at an issue price of $0.01 per share to raise up to $2,000,000. On 3 November 2023, the Company announced a Placement of $650,000, and the directors remain confident of issuing additional new shares for the balance of $1,350,000 approved by shareholders, along with issuing other equity up to the Company’s 15% placement limit, should additional capital be required.
- Since the directors resumed control of the Company on 26 May 2023, a cost-reduction program was implemented across all operations to ensure the cost base is commensurate with operations. In addition, non-performing businesses have been put into run-off, resulting in capital being prioritised to ongoing operations and recovery activities.
- The board are aware of certain claims and allegations relating to the possible misappropriation of the Company’s funds. After detailed investigations, interviews and various meetings with relevant individuals, lawyers and consultants, the IOUpay board have agreed to a framework, outlined by our advisors, to purse and potentially recover funds on behalf of shareholders. The directors remain vigilant in ensuring that any expected recovery costs still allow for an acceptable overall return to shareholders based on the probability and likelihood of recovery against those costs.
- The directors are also intending to seek reinstatement on the ASX. Resumption in trading in the Company’s shares will also open opportunities to sourcing additional funding if required from capital markets.
- On 28 November 2023, the Company announced it had completed a Placement, raising $2,000,000 through the issuance of 200m ordinary shares at an issue price of $0.01. These funds will be applied to fully repay the outstanding debt and accrued interest under the Finran loan facility, with the balance applied to working capital. Repayment of this debt significantly improves the balance sheet and bottom line by eliminating ongoing interest expense associated with the debt facility and is a crucial step in the path to reinstatement on the ASX.
- Clee Capital has provided a letter of comfort whereby it has agreed to provide funding on commercial terms as the company's corporate advisor for capital raising and has committed to provide up to AUD $3,000,000 of funding.

Accordingly, the Directors believe that the consolidated entity will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

In the event that consolidated entity is unsuccessful in implementing the above-stated initiatives, a material uncertainty exists, that may cast significant doubt on the consolidated entity's ability to continue as a going concern and its ability to recover assets and discharge liabilities in normal course of business and at the amounts shown in the financial report.

Note 1. Significant accounting policies (continued)

Should the consolidated entity be unable to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the normal course of business and at amounts different from those stated in the financial statements.

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
The financial statements have been prepared under the historical cost convention.

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.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 33.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of IOUpay Limited ('company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. IOUpay Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is IOUpay Limited's functional and presentation currency.

Note 1. Significant accounting policies (continued)

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

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

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

Revenue recognition
The consolidated entity recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

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

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

Licensing Software

Note 1. Significant accounting policies (continued)

Revenue is recognised when the right to use the software is granted to the buyers.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

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 includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 1. Significant accounting policies (continued)

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Contract assets
Contract assets are recognised when the consolidated entity has transferred goods or services to the customer but where the consolidated entity is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Associates
Associates are entities in which the Group has significant influence, but no control, over their financial and operating policies.

When the consolidated entity's share of losses in an associate equals or exceeds its interest in the associate, including any unsecured long-term receivables, the consolidated entity does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The share of the result of an associate is reflected in profit or loss. This is the profit attributable to equity holders of the associate and therefore is the profit after tax and non-controlling interests in the subsidiaries of the associate. When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investment is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

Where there has been a change recognised directly in the equity of an associate, the Group recognises its share of any changes and discloses this, when applicable, in the statements of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate..

The financial statements of the associates are prepared as of the same reporting period to the Group. Where necessary, adjustments are made to bring the accounting policies of the associate companies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. The Group determines at each end of the reporting period whether there is any objective evidence that the investments in the associates are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates and their carrying value, then the amount recognise as impairment in profit or loss.

Upon loss of significant influence over an associate, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

Investments in associates are stated at cost less impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

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

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	4-20 years

Note 1. Significant accounting policies (continued)

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Right-of-use assets
A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The consolidated entity has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Research and development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility; the consolidated entity is able to use or sell the asset; the consolidated entity has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 to 10 years.

Intellectual property
Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 to 10 years.

Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 to 10 years.

Note 1. Significant accounting policies (continued)

Impairment of non-financial assets
Goodwill and other 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 non-financial assets are reviewed 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.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Lease liabilities
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

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

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

Note 1. Significant accounting policies (continued)

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

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

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

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

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

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

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

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

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Note 1. Significant accounting policies (continued)

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.

Business combinations

The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of IOUpay Limited, 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.

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

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

Note 1. Significant accounting policies (continued)

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

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

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 2023. The consolidated entity has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

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

Trade and other receivables are written off where there is no reasonable expectation of recovery. For the 2023 reporting period, receivables of iSentric Sdn Bhd, IOUPay (Asia) Sdn Bhd and PT iSentric Technology were written off. There were significant indicators that there was no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. An expense of $20,815,475 has been recognised in the current period.

Impairment of investment in associate
After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. The Group determines at each end of the reporting period whether there is any objective evidence that the investments in the associates are impaired. For the 2023 reporting period, the Group calculated the amount of impairment as the difference between the recoverable amount of the associate, 1-Destinasi Sdn Bhd, and its carrying value. An impairment expense of $7,379,273 has been recognised as in the profit or loss. The recoverable amount of the associate was determined based on value in use calculations which required the use of assumptions. The calculations uses cash flow projections based on financial budgets approved by management.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Goodwill and other indefinite life intangible assets
The Group tests whether goodwill has suffered any impairment at each reporting period. Based on the management accounts of Sibu Kurnia Marine Sdn Bhd, the market value of their share capital was $21,000 (MYR 64,000). In the absence of reliable cash flow projections to determine the recoverable amount, an impairment of goodwill of $1,506,346 (MYR 4.5 million) was recorded during FY23.

The Group initially recorded the goodwill of Arte Mobile Technology Pte. Ltd in 2015 and subsequently impaired $13 million and$855,000 in 2017 and 2019, respectively. Due to the lack of operations for the current year, no future plans from management for this entity, and the absence of any management cash flow projections to determine the recoverable amount for this entity, an impairment of $1,504,193 was recorded for the remaining balance of the goodwill in FY23. There are no other material intangible assets remaining in this entity as of 30 June 2023.

Impairment of property plant and equipment
Management has assessed the recoverable amount of IOU Pay (Asia) SB's Property, Plant, and Equipment (PPE) and has determined that the current business model, which is maintained to service existing customers. Consequently, the management has concluded that an impairment of $589,371 be recognised in the current year.

Business combinations
As discussed in note 1, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one operating segment: provision of fintech and digital commerce software solutions in Malaysia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Note 4. Revenue

	Consolidated	
	2023 $	2022 $
Sales	9,485,500	8,399,809

Note 4. Revenue (continued)

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated 2023 $	Consolidated 2022 $
Major product lines		
BNPL	1,836,321	2,246,851
Mobile services	7,649,179	6,152,958
	9,485,500	8,399,809
Geographical regions		
Malaysia	9,485,500	8,399,809
Timing of revenue recognition		
Services transferred over time	9,485,500	8,399,809

Note 5. Other income

	Consolidated 2023 $	Consolidated 2022 $
Net foreign exchange gain	1,209,256	1,508,184
Net gain on disposal of property, plant and equipment	-	287
Interest revenue	2,109	700,215
Other miscellaneous income	62,475	430,449
Share of profit of equity-accounted associate	1,378,881	522,556
Net gain on loss of control of subsidiary	92,617	-
Other income	2,745,338	3,161,691

Note 6. Income tax expense

	Consolidated 2023 $	Consolidated 2022 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(36,345,472)	(10,006,968)
Tax at the statutory tax rate of 25%	(9,086,368)	(2,501,742)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Difference in overseas tax rates	318,313	143,038
Non-taxable income	(186,841)	(346,200)
Non-deductible expenses	3,452,574	1,332,249
Deferred tax asset not recognised during the financial year	5,502,322	1,394,661
Movement of deferred tax asset	-	(19,373)
Under/(over) provision of current tax in the previous financial year	-	10,593
Income tax expense	-	13,226

Note 6. Income tax expense (continued)

	Consolidated 2023 $	Consolidated 2022 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	14,139,118	9,939,118
Potential tax benefit @ 25%	3,534,780	2,484,780

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 7. Current assets - cash and cash equivalents

	Consolidated 2023 $	Consolidated 2022 $
Cash on hand	-	2,305
Cash at bank	692,435	2,225,203
Cash in trust account	1,349,668	3,632,260
	2,042,103	5,859,768

Note 8. Current assets - trade and other receivables

	Consolidated 2023 $	Consolidated 2022 $
Trade receivables	995,648	15,246,889
Less: Allowance for expected credit losses	-	(425,105)
	995,648	14,821,784
Other receivables	512,158	5,895,029
	1,507,806	20,716,813

Trade and other receivables are written off where there is no reasonable expectation of recovery. For the 2023 reporting period, receivables of iSentric Sdn Bhd, IOU Pay (Asia) Sdn Bhd and PT iSentric Technology were written off. There were significant indicators that there was no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. An expense of $20,815,475 has been recognised in the current period.

Note 9. Current assets - contract assets

	Consolidated 2023 $	Consolidated 2022 $
Contract assets	677,360	509,493

Note 10. Current assets - income tax refund due

	Consolidated 2023 $	Consolidated 2022 $
Income tax refund due	2,974	10,698

Note 11. Current assets - other

	Consolidated 2023 $	Consolidated 2022 $
Prepayments	61,768	473,047
Deposits	-	186,058
	61,768	659,105

Note 12. Non-current assets - investments accounted for using the equity method

	Consolidated 2023 $	Consolidated 2022 $
Investment in associate	13,592,369	20,653,297

Reconciliation
Reconciliation of the carrying amounts at the beginning and end of the current and previous financial year are set out below:

	2023 $	2022 $
Opening carrying amount	20,653,297	-
Additions	-	20,755,774
Dividends received	(763,913)	(611,570)
Impairment of assets	(7,379,273)	-
Share of profit after tax	1,378,881	522,556
Effect of foreign exchanage	(296,623)	(13,463)
Closing carrying amount	13,592,369	20,653,297

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investments in its associates. The Group determines at each end of the reporting period whether there is any objective evidence that the investments in the associates are impaired. For the 2023 reporting period, the Group calculated the amount of impairment as the difference between the recoverable amount of the associate, 1-Destinasi Sdn Bhd, and its carrying value. An impairment expense of $7,379,273 has been recognised as in the profit or loss. The recoverable amount of the associate was determined based on value in use calculations which required the use of assumptions. The calculations uses cash flow projections based on financial budgets approved by management.

Interests in associates
Interests in associates are accounted for using the equity method of accounting. Information relating to associates that are material to the consolidated entity are set out below:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
1-Destinasi Sdn Bhd ("IDSB"),	Malaysia	21.00%	21.00%

Note 12. Non-current assets - investments accounted for using the equity method (continued)

Summarised financial information

	2023 $	2022 $
Summarised statement of financial position		
Current assets	8,818,369	8,330,366
Non-current assets	1,893,197	977,187
Total assets	10,711,566	9,307,553
Current liabilities	687,885	617,139
Non-current liabilities	93,381	119,113
Total liabilities	781,266	736,252
Net assets	9,930,300	8,571,301

Summarised statement of profit or loss and other comprehensive income

	2023 $	2022 $
Profit after income tax	6,556,100	2,488,362
Other comprehensive income	-	-
Total comprehensive income	6,556,100	2,488,362

Note 13. Non-current assets - property, plant and equipment

	Consolidated 2023 $	 2022 $
Plant and equipment - at cost	572,960	1,229,719
Less: Accumulated depreciation	(563,969)	(490,112)
	8,991	739,607

Note 13. Non-current assets - property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Plant and equipment $
Balance at 1 July 2021	459,210
Additions	496,968
Disposals	(3,496)
Exchange differences	12,251
Depreciation expense	(225,326)
Balance at 30 June 2022	739,607
Additions	248,443
Disposals	(316)
Exchange differences	(43,728)
Impairment of assets	(589,371)
Depreciation expense	(345,644)
Balance at 30 June 2023	8,991

Management has assessed the recoverable amount of IOU Pay (Asia) SB's Property, Plant, and Equipment (PPE) and has determined that the current business model, which is maintained to service existing customers. Consequently, management has concluded that an impairment of $589,371 be recognised in the current year.

Note 14. Non-current assets - right-of-use assets

	Consolidated	
	2023 **$**	**2022** **$**
Land and buildings - right-of-use	779,746	1,323,694
Less: Accumulated depreciation	(539,199)	(337,638)
	240,547	986,056

Note 14. Non-current assets - right-of-use assets (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land and buildings $
Balance at 1 July 2021	1,045,720
Additions	188,220
Lease modification	(16,747)
Exchange differences	28,797
Depreciation expense	(259,934)
Balance at 30 June 2022	986,056
Disposals	(58,323)
Lease modification	(416,707)
Exchange differences	(5,169)
Depreciation expense	(265,310)
Balance at 30 June 2023	240,547

Note 15. Non-current assets - intangibles

	Consolidated	
	2023 $	**2022 $**
Goodwill - at cost	17,986,155	16,479,809
Less: Impairment	(17,986,155)	(14,916,020)
	-	1,563,789
Product development - at cost	629,765	629,765
Less: Accumulated amortisation	(629,765)	(625,053)
	-	4,712
Intellectual property - at cost	3,861,646	3,620,697
Less: Accumulated amortisation	(3,861,646)	(3,620,697)
	-	-
Software - at cost	57,162	58,413
Less: Accumulated amortisation	(57,162)	(25,962)
	-	32,451
	-	1,600,952

Note 15. Non-current assets - intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $	Product development $	Software $	Total $
Balance at 1 July 2021	1,563,789	12,926	50,484	1,627,199
Exchange differences	-	(710)	1,219	509
Amortisation expense	-	(7,504)	(19,252)	(26,756)
Balance at 30 June 2022	1,563,789	4,712	32,451	1,600,952
Additions through business combinations (note 34)	1,506,346	-	-	1,506,346
Exchange differences	(23,596)	-	-	(23,596)
Impairment of assets	(3,046,539)	-	-	(3,046,539)
Amortisation expense	-	(4,712)	(32,451)	(37,163)
Balance at 30 June 2023	-	-	-	-

The Group tests whether goodwill has suffered any impairment at each reporting period. Based on the management accounts of Sibu Kurnia Marine Sdn Bhd, the market value of their share capital was $21,000 (MYR 64,000). In the absence of reliable cash flow projections to determine the recoverable amount, an impairment of goodwill of $1,506,346 (MYR 4.5 million) was recorded during FY23.

The Group initially recorded the goodwill of Arte Mobile Technology Pte. Ltd in 2015 and subsequently impaired $13 million and $855,000 in 2017 and 2019, respectively. Due to the lack of operations for the current year, no future plans from management for this entity, and the absence of any management cash flow projections to determine the recoverable amount for this entity, an impairment of $1,504,193 was recorded for the remaining balance of the goodwill in FY23. There are no other material assets remaining in this entity as of 30 June 2023.

Note 16. Current liabilities - trade and other payables

	Consolidated 2023 $	Consolidated 2022 $
Trade payables	3,048,234	1,398,592
Accruals	16,802	248,198
Other payables	483,350	274,582
	3,548,386	1,921,372

Refer to note 27 for further information on financial instruments.

Note 17. Current liabilities - contract liabilities

	Consolidated 2023 $	Consolidated 2022 $
Contract liabilities	55,445	440,305

Note 18. Current liabilities - borrowings

	Consolidated 2023 $	Consolidated 2022 $
Loan - Finran facility	2,312,321	-
Loan - other	50,200	-
	2,362,521	-

Refer to note 27 for further information on financial instruments.

The Finran facility is due for repayment on the earlier of 23 June 2023, or the date that all secured monies under the agreement become due and payable. Interest is payable at 6% per annum.

The "loan - other" is an interest free loan provided by various shareholders to provide working capital. Since year end, $46,500 of this amount has been settled via the issue of shares in the company. Refer to note 36.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated 2023 $	Consolidated 2022 $
Total facilities		
Loan - Finran facility	4,500,000	-
Used at the reporting date		
Loan - Finran facility	2,312,321	-
Unused at the reporting date		
Loan - Finran facility	2,187,679	-

Note 19. Current liabilities - lease liabilities

	Consolidated 2023 $	Consolidated 2022 $
Lease liability	244,841	299,277

Refer to note 27 for further information on financial instruments.

Note 20. Current liabilities - income tax

	Consolidated 2023 $	Consolidated 2022 $
Provision for income tax	-	40,249

Note 21. Current liabilities - provisions

	Consolidated 2023 $	Consolidated 2022 $
Other	-	250,000

Note 22. Non-current liabilities - lease liabilities

	Consolidated 2023 $	Consolidated 2022 $
Lease liability	26,360	721,739

Refer to note 27 for further information on financial instruments.

Note 23. Non-current liabilities - provisions

	Consolidated 2023 $	Consolidated 2022 $
Lease make good	64,498	61,494

Note 24. Equity - issued capital

	Consolidated			
	2023 Shares	2022 Shares	2023 $	2022 $
Ordinary shares - fully paid	642,275,484	554,012,065	82,560,538	81,126,819

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2021	551,412,065		80,611,576
Shares issued on exercise of options	8 June 2022	2,600,000	$0.1988	516,750
Less cost of capital raised		-	$0.0000	(1,507)
Balance	30 June 2022	554,012,065		81,126,819
Issue of shares	22 December 2022	18,263,419	$0.0450	821,850
Issue of shares	28 June 2024	70,000,000	$0.0100	700,000
Less cost of capital raised		-	$0.0000	(88,131)
Balance	30 June 2023	642,275,484		82,560,538

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.

Share buy-back
There is no current on-market share buy-back.

Note 24. Equity - issued capital (continued)

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.

The capital risk management policy remains unchanged from the 30 June 2022 Annual Report.

Note 25. Equity - reserves

	Consolidated	
	2023 $	2022 $
Foreign currency reserve	(902,584)	355,149
Share-based payments reserve	495,520	554,065
	(407,064)	909,214

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 25. Equity - reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments $	Foreign currency $	Total $
Balance at 1 July 2021	67,710	371,304	439,014
Foreign currency translation	-	(16,155)	(16,155)
Share based payments	1,003,105	-	1,003,105
Lapse of options	(516,750)	-	(516,750)
Balance at 30 June 2022	554,065	355,149	909,214
Foreign currency translation	-	(1,257,733)	(1,257,733)
Transfer to retained earnings on lapse of options	(58,545)	-	(58,545)
Balance at 30 June 2023	495,520	(902,584)	(407,064)

Note 26. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 27. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. At 30 June 2023 and 30 June 2022 the consolidated entity was not exposed to material foreign currency risk, with the vast majority of transactions being denominated in the entity's functional currency.

Price risk
The consolidated entity is not exposed to any significant price risk.

Interest rate risk
The consolidated entity is not exposed to material interest rate risk. At 30 June 2023, the only interest-bearing liability was the Finran facility which incurs interest at fixed rate of 6%.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity.

Note 27. Financial instruments (continued)

Trade and other receivables are written off where there is no reasonable expectation of recovery. For the 2023 reporting period, receivables of iSentric Sdn Bhd, IOU Pay (Asia) Sdn Bhd and PT iSentric Technology were written off. There were significant indicators that there was no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item. An expense of $20,815,475 has been recognised in the current period.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financing arrangements
Unused borrowing facilities at the reporting date:

	Consolidated 2023 $	Consolidated 2022 $
Loan - Finran facility	2,187,679	-

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2023	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	3,458,386	-	-	-	3,458,386
Loan - other	-	50,200	-	-	-	50,200
Interest-bearing - fixed rate						
Lease liability	4.04%	244,841	26,360	-	-	271,201
Loan - Finran facility	6.00%	2,312,321	-	-	-	2,312,321
Total non-derivatives		6,065,748	26,360	-	-	6,092,108

Consolidated - 2022	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade other payables	-	1,921,372	-	-	-	1,921,372
Interest-bearing - fixed rate						
Lease liability	4.40%	299,277	299,277	422,462	-	1,021,016
Total non-derivatives		2,220,649	299,277	422,462	-	2,942,388

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Note 28. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated	
	2023	2022
	$	$
Short-term employee benefits	710,629	896,887
Share-based payments	-	459,972
	710,629	1,356,859

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Connect National Audit , the auditor of the company, and its network firms:

	Consolidated	
	2023	2022
	$	$
Audit services - Connect National Audit (2022: MNSA Pty Ltd)		
Audit or review of the financial statements	40,000	56,664
Other services - Connect National Audit (2022: MNSA Pty Ltd)		
Preparation of the tax return	-	1,100
	40,000	57,764
Audit services - McMillan Woods (2022: Grant Thornton Malaysia)		
Audit or review of the financial statements	44,813	43,928

Note 30. Contingent assets and liabilties

The board are aware of certain claims and allegations relating to the possible misappropriation of IOUpay funds.

After detailed investigations, interviews and various meetings with relevant individuals, lawyers and consultants, the board have agreed to a framework, outlined by our advisors, to purse and potentially recover funds on behalf of IOUpay shareholders.

The board continues to work with our advisors to determine the magnitude of potentially recoverable funds and will continue to update the market accordingly as further information comes to hand. The board remains vigilant in ensuring that any expected recovery costs still allow for an acceptable overall return to shareholders based on the probability and likelihood of recovery against those costs.

Note 31. Commitments

The consolidated entity had no commitments at 30 June 2023 and 30 June 2022.

Note 32. Related party transactions

Parent entity
IOUpay Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 35.

Note 32. Related party transactions (continued)

Associates
Interests in associates are set out in note 12.

Identification of related party transactions
Management evaluates and understands the related party transactions of the consolidated entity by sending annual related party confirmations to the directors of its parent entity and its subsidiaries. As of the date of this report, there are directors who have not responded to the confirmations, and management has been unable to reach some of the directors. Management remains active in following up on this confirmation process.

Key management personnel
Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the directors' report.

Transactions with related parties
There were no transactions with related parties during the current and previous financial year.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2023	**2022**
	$	**$**
Loss after income tax	(72,917,814)	(2,483,324)
Total comprehensive income	(72,917,814)	(2,483,324)

Statement of financial position

	Parent	
	2023	**2022**
	$	**$**
Total current assets	1,624,203	55,250,820
Total assets	1,624,203	70,395,920
Total current liabilities	3,000,875	2,290,719
Total liabilities	5,003,098	2,290,719
Equity		
Issued capital	133,764,678	131,814,209
Share-based payments reserve	495,520	1,070,815
Accumulated losses	(137,639,093)	(64,779,823)
Total equity/(deficiency)	(3,378,895)	68,105,201

Note 33. Parent entity information (continued)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2023 and 30 June 2022.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2023 and 30 June 2022.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 34. Business combinations

On 7 November 2022, a wholly owned subsidiary of the Company, IOU Pay (Asia) Sdn. Bhd. entered into a share sale agreement with Aspire Project Management Sdn. Bhd. for the acquisition of 100% of the equity interest in Sibu Kurnia Marine Sdn. Bhd. for cash consideration of RM4,500,000 (AU$1,505,117). The acquisition was completed during the financial year.

Details of the acquisition are as follows:

	Fair value $
Amount due to a director	(710)
Other payables	(519)
Net liabilities acquired	(1,229)
Goodwill	1,506,346
Acquisition-date fair value of the total consideration transferred	1,505,117
Representing:	
Cash paid or payable to vendor	1,505,117

Note 35. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
iSentric Sdn. Bhd.	Malaysia	100.00%	100.00%
IOU Pay (Asia) Sdn. Bhd.	Malaysia	100.00%	100.00%
Datamorph Services Sdn. Bhd.	Malaysia	100.00%	100.00%
PT Isentric Technology Indonesia	Indonesia	100.00%	100.00%
Arte Mobile Technology Pte. Ltd.	Singapore	100.00%	100.00%
My Play Company Limited	Myanmar	-	100.00%
Sibu Kurnia Marine Sdn Bhd	Malaysia	100.00%	-

Note 36. Events after the reporting period

0n 31 August 2023, the company announced progress against its four key strategic priorities:-

- To ensure the business is appropriately funded ("Funding")
- To review, implement controls and "right-size" the business operations in Malaysia ("Control"),
- To vigorously pursue any alleged misappropriation of shareholder funds prior to the current board appointment ("Recover"), and
- To undertake all activities required to ensure compliance with regulatory obligations and moreover the ultimate re-quotation of the Company's shares on the ASX ("Reinstatement").

On 6 September 2023, the company released its Notice of Extraordinary General Meeting, seeking ratification of:

- Prior issue of 70m shares to Finran
- Proposed issue of shares to Finran upon conversion of up to $525k of existing debt
- Proposed issue of shares upon conversion of $300k convertible notes
- Proposed future placement of shares to raise up to $2m
- Prior issue of 15m of Feb21 $1.00 exercise priced adviser options

On 6 October 2023, the company announced the resullts of the EGM, noting all resolutions were passed by the requisite majority.

On 20 October 2023, issued the below shares pursuant to certain EGM resolutions:-

- 52.5m shares to convert $525k of the outstanding principal drawn down under the Finran Loan
- 30m shares pursuant to conversion of the convertible note
- 4.65m shares to settle the legal fees debt

On 3 November 2023, the company announced the placement of 65m shares to raise $650k before costs (costs of $39k, being 6% on funds raised, also settled by way of an issue of 3.9m shares).

On 6 November 2023, 15 million unlisted options with an exercise price of $1 expired.

On 28 November 2023, the Company announced it had completed a Placement, raising $2,000,000 through the issuance of 200m ordinary shares at an issue price of $0.01. These funds will be applied to fully repay the outstanding debt and accrued interest under the Finran loan facility, with the balance applied to working capital. Repayment of this debt significantly improves the balance sheet and bottom line by eliminating ongoing interest expense associated with the debt facility and is a crucial step in the path to reinstatement on the ASX.

No other matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 37. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2023 $	Consolidated 2022 $
Loss after income tax expense for the year	(36,345,472)	(10,020,194)
Adjustments for:		
Depreciation and amortisation	648,117	512,016
Impairment loss	31,830,658	680,507
Share of profit – associates	(1,378,881)	(522,556)
Share-based payments	-	1,003,105
Finance lease cost	-	48,401
Amounts allocated to investing cash flows	-	3,213,874
Unrealised (gain)/loss on foreign exchange	-	(426,426)
Increase in lease liabilities	-	(25,707)
Effect of exchange rates	-	(16,155)
Gain on loss of control of subsidiary	(92,617)	-
Accrued interest	12,321	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(2,499,938)	(16,943,114)
Increase in contract assets	(167,867)	-
Decrease in inventories	-	292,046
Decrease in income tax refund due	7,724	-
Decrease in other operating assets	597,337	-
Increase in trade and other payables	1,718,402	988,819
Decrease in contract liabilities	(384,860)	-
Decrease in provision for income tax	(40,249)	-
Decrease in retirement benefit obligations	(246,996)	-
Net cash used in operating activities	(6,342,321)	(21,215,384)

Note 38. Earnings per share

	Consolidated 2023 $	Consolidated 2022 $
Loss after income tax attributable to the owners of IOUpay Limited	(36,345,472)	(10,020,194)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	563,902,612	551,568,777
Weighted average number of ordinary shares used in calculating diluted earnings per share	563,902,612	551,568,777
	Cents	**Cents**
Basic earnings per share	(6.45)	(1.82)
Diluted earnings per share	(6.45)	(1.82)

IOUpay Limited
Directors' declaration
30 June 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- 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;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

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

On behalf of the directors

David Halliday
Non-Executive Chairman

5 December 2023

Independent Auditor's Report
To the Members of IOUpay Limited
Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of IOUpay Limited (the "consolidated entity"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity as set out on page 52.

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

(a) giving a true and fair view of the entity's financial position as at 30 June 2023 and of its performance for the financial 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 consolidated entity in accordance with the auditor independence requirements of the *Corporations Act* 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.
We confirm that the independence declaration required by the *Corporations Act* 2001, which has been given to the directors of the consolidated entity, would be in the same terms if given to the directors as at the time of this auditor's report.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
The impact from the suspected fraud committed by the former CFO	
We identified the suspected fraud committed by the former CFO during the year as a key audit matter. Based on management's investigation and draft forensic report, IOU Pay (Asia) Sdn Bhd trade receivables and goodwill were impaired. Trade receivables of $10m (RM$ 31m) and Goodwill related to Sibu Kurnia Marine Sdn Bhd $1.5m (RM$4.5m) were impaired.	Our procedures included amongst others: Reviewing the draft forensic report issued by Crowe Malaysia PLT and management investigation representation. Evaluating the effects of the identified issues on various aspects, such as the consolidated entity's internal controls environment, overall operations, and the financial statements for both the current year and the preceeding year, among others. Performing related party confirmations from all the directors and senior managers of parent company and its subsidiaries. Refer to Goodwill impairment Key Audit Matter for our procedures performed in relation to the goodwill impairment of Sibu Kurnia Marine Sdn Bhd.
Loss of Control of the liquidated subsidiary	
On 30 March 2022, the Group appointed liquidators for MyPlay Co, Ltd . As a result of this appointment, the Group lost control of the subsidiary on that day and therefore has been presented as a gain / (loss) on loss of control on the liquidated subsidiary. We consider this to be significant as its impact on the company structure.	Our procedures included amongst others: Obtaining and reviewing the liquidator's documents ensuring the accuracy of the date of loss of control of the liquidated subsidiary. Performing audit procedures for assurance on the accuracy of the gain / (loss) (choose one) calculated on the loss of control of the liquidated subsidiary.
Review Impairment of Goodwill in accordance with AASB 136	
Under AASB 136, the Group is required to annually test the amount of goodwill for impairment. We identified the impairment of goodwill as a key audit matter due to the significance of these	Our procedures included amongst others: Obtaining the Discounted Cash Flow analysis and projections, and

balances in the Group's consolidated statement of financial position and the estimation of recoverable amount of each cash generating unit ("CGU"). On 19 January 2021, the Group entered into an agreement for the acquisition of all the shares in Sibu Kurnia Marine Sdn Bhd for a total consideration of $1.43 million (MYR 4.3 million). A deposit of $1.5 million (MYR 4.5 million) was paid upon signing the agreement. Based on the management accounts of Sibu Kurnia Marine Sdn Bhd, the market value of their share capital was $21,000 (MYR 64,000). In the absence of reliable cash flow projections to determine the recoverable amount, an impairment of goodwill of $1.5 million (MYR 4.5 million) was recorded during FY23. The result is consistent with the impact of the suspected fraud committed by the former CFO, as mentioned above. The Group initially recorded the goodwill of Arte Mobile Technology Pte. Ltd in 2015 and subsequently impaired $13 million and $855,000 in 2017 and 2019, respectively. Due to the lack of operations for the current year, no future plans from management for this entity, and the absence of any management cash flow projections to determine the recoverable amount for Arte Mobile Technology Pte. Ltd, an impairment of $1.5 million was recorded for the remaining balance of the goodwill in FY23. There are no other material assets remaining in this entity as of 30 June 2023.	Management Account from management to assess critical aspects related to the determination of recoverable amounts for the Cash-Generating Units. Examining the discount rates applied to the Discounted Cash Flow analysis to assess the reasonableness of the analysis. Testing the arithmetic accuracy of the impairment model and assess the adequacy and completeness of disclosures related to goodwill impairment in the financial statement in accordance with AASB 136.
Decentralised Operations	
The Group comprises subsidiaries (components) whose operations are spread across Singapore, Malaysia, Indonesia and Myanmar. The Group's business is the provision of software-based mobile telecommunications and technology, and the components are wide ranging in size and also in the customers and products of each business operation.	We instructed component audit teams to perform procedures on the financial information prepared for consolidation purposes for all components. The objective of this was to gather evidence on significant balances that aggregate to form the Group's financial reporting.

The decentralised and varied nature of these operations require significant oversight by IOUPay's management to monitor the activities, review component financial reporting and undertake the Group consolidation. This was a key audit matter for us given the number of subsidiaries, varied operations and the significance of these operations to the group, and the varied accounting processes and systems used. We focused on: • Understanding the components and identifying significant risks of misstatement within them; • The scoping of relevant procedures consistent with the risks identified and to enable coverage of significant aggregated balances; • The assessment of component compliance with Group accounting policies, particularly in regard to revenue recognition and capitalisation of development costs; • The consolidation process and the information provided by components used for consolidation purposes.	The component audit teams performed the audit as below: • Understand the components and identify significant risks of misstatement within them; • Perform the scoping of relevant procedures consistent with the risks identified and to enable coverage of significant aggregated balances; • Perform the assessment of component compliance with Group accounting policies, particularly in regard to revenue recognition and capitalisation of development costs; • Review the consolidation process and the information provided by components used for KL consolidation purposes. We worked with the component audit team to understand the components, to identify risks that are significant to the audit of the Group, and to plan relevant procedures. We discussed the audits as they progressed to identify any issues, working with the component auditors, as appropriate. We evaluated the work performed by the component audit teams for sufficiency for our overall audit purpose. We also considered the component auditors' compliance with the Group's accounting policies, including revenue recognition.
Review Investment in Associates in accordance with AASB 128 / AASB 9	
The Group acquired a 21% equity interest, total $21m (RM$63m), in I-Destinasi Sdn Bhd, a specialised Malaysian finance company, on 30 November 2021. In accordance with AASB 128 and AASB 136, after applying the equity method, management determines whether it is necessary to recognise an	Our procedures included amongst others: Reviewing the reasonableness of the management estimates in applying the equity method and determining the fair value in use for investment in I Destinasi Sdn Bhd.

additional impairment loss on the Group's investments in its associates. Thus, management calculated the fair value of $14m (RM$42m) using Discounted Cash Flowto determine its recoverable amount. Impairment loss on investment in associate amounted to $6.9m (RM$20m).	Obtaining the Discounted Cash Flow analysis and projections from management to assess critical aspects related to determination of recoverable amounts for the Cash-Generating Unit. Examining the discount rates applied to the Discounted Cash Flow analysis to assess its reasonableness. Test the arithmetic accuracy of the impairment model and assess the adequacy and completeness of disclosures related to Investment in Associates in the financial statement in accordance with AASB 128 and AASB 136.

Emphasis of Matter – Material uncertainty related to going concern

The consolidated entity has incurred a net loss of $36,345,472 for the period ended 30 June 2023 (30 June 2022: $10,020,194) has a working capital deficit of $393,139 at reporting date (30 June 2022: $24,804,674) and had cash outflows from operating activities of $6,342,321 (30 June 2022: $21,215,384). These conditions indicate a significant and material uncertainty about the consolidated entity's ability to continue as a going concern.

Emphasis of Matter – Related Party Transactions

Management evaluates and understands the related party transactions of the consolidated entity by sending annual related party confirmations to the directors of its parent entity and its subsidiaries. As of the date of this report, there are directors who have not responded to the confirmations, and management has been unable to reach some of the directors. Management remains active in following up on this confirmation process. We raise our concern on the completeness of related party transactions disclosed in the financial statement. Our opinion is not modified in respect of this matter.

Other Matter

The financial report of the Group for the year ended 30 June 2022 was audited by another auditor who expressed an unmodified opinion on the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, 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 consolidated entity are 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 the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In the basis of preparation, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the consolidated entity'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 consolidated entity 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/Home.aspx. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 10 to 16 of the directors' report for the financial year ended 30 June 2023.

In our opinion the Remuneration Report of IOUpay Limited for the financial year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Emphasis of Matter – Directors Remuneration and Key Management Personnel

As disclosed in the remuneration report, the Board has no record of service agreements or other supporting documents for the previous directors and key management personnel. We raise our concern on the accuracy of remuneration for directors and Key Management Personnel disclosed in the remuneration report and financial statement. Our opinion is not modified in respect of this matter.

Responsibilities

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

Connect National Audit

CONNECT NATIONAL AUDIT PTY LTD
Authorised Audit Company No. 521888

GEORGE GEORGIOU FCA RCA
MANAGING DIRECTOR
Date: 05 December 2023

IOUpay Limited
Shareholder information
30 June 2023

The shareholder information set out below was applicable as at 30 November 2023.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	1,872	0.15
1,001 to 5,000	6,201	1.64
5,001 to 10,000	2,344	1.84
10,001 to 100,000	3,793	12.40
100,001 and over	804	83.97
	15,014	100.00
Holding less than a marketable parcel	13,397	10.31

(based on price of most recent capital raise of $0.01 per share)

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
FINRAN PTY LTD	198,303,816	19.86
BRETT PARTRIDGE	116,324,339	11.65
MAVI HOLDINGS LIMITED	45,000,000	4.51
TAC PROFESSIONAL SERVICES PTY LTD	43,750,000	4.38
006 CAPITAL PTY LTD	43,750,000	4.38
JOX HOLDINGS LIMITED	21,808,380	2.18
CITICORP NOMINEES PTY LIMITED	14,182,943	1.42
BNP PARIBAS NOMS PTY LTD	12,046,542	1.21
RIMOYNE PTY LTD	10,000,000	1.00
7 ENTERPRISES PTY LTD	7,700,000	0.77
MR MARK JOHN WARD	7,267,600	0.73
BNP PARIBAS NOMINEES PTY LTD (IB AU NOMS RETAILCLIENT)	6,472,694	0.65
MR MARK JOHN WARD & MS CATHERINE ALEXANDRA SMITH	5,796,167	0.58
MR PAUL ANDREW JENKINS	5,500,000	0.55
MR ARTHUR BROMIDIS	5,500,000	0.55
KEONG YEW LIM	5,178,986	0.52
LIQUIPURE AUST PTY LTD	5,000,000	0.50
MR WEN WANG	4,000,000	0.40
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	3,665,206	0.37
MR ALTAF RAISE KHAWARI	3,510,698	0.35
	564,757,371	56.56

Unquoted equity securities
The company has 3,200,000 unlisted options over shares on issue that expire on 27 January 2024.

IOUpay Limited
Shareholder information
30 June 2023

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
FINRAN PTY LTD	198,303,816	19.86
BRETT PARTRIDGE	116,324,339	11.65

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
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.

There are no other classes of equity securities.