Monday 30 August 2021

Appendix 4E (Preliminary Final Report) and Annual Report

The Appendix 4E (Preliminary Final Report) and Annual Report of **Integrated Payment Technologies Limited** (ASX: IP1) for the financial year ended 30 June 2021 are attached.

These documents have been authorised by the Board for release to ASX.

For enquiries:

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About Integrated Payment Technologies

Integrated Payment Technologies Limited (InPayTech) (ASX:IP1) is an Australian financial technology company founded and listed on the ASX in 2016.

InPayTech provides compliance and payment software solutions to create efficiencies for payroll service providers and both large and small Australian employers.

The company has four core offerings: ***ClickSuper*,** a superannuation gateway and clearing house; ***Comply Path Platform***, a modern cloud based compliance platform for handling messaging with ATO (SuperStream, STP 2.0, PEPPOL, SBR and State authorities), ***Employee Onboarding***, a white label employee onboarding solution to manage the compliant onboarding of full-time and casual workers and ***Payment Advisor*** which focuses on the automated payment of invoices and the communication of remittance data, including the ***PayVu brand*** that integrates the functionality of ClickSuper and the Payment Advisor to deliver cloud-based services bridging the gap between accounting/payroll and internet banking.

InPayTech holds patents in Australia, USA, China, Japan, Singapore, Hong Kong, South Africa and New Zealand.

Integrated Payment Technologies Limited
Appendix 4E
Preliminary final report

1. Company details

Name of entity:	Integrated Payment Technologies Limited
ABN:	50 611 202 414
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

2. Results for announcement to the market

				$
Revenues from ordinary activities	up	40.5%	to	2,099,224
Loss from ordinary activities after tax attributable to the owners of Integrated Payment Technologies Limited	up	3.4%	to	(3,788,972)
Loss for the year attributable to the owners of Integrated Payment Technologies Limited	up	3.4%	to	(3,788,972)

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

Comments
The loss for the Group after providing for income tax amounted to $3,788,972 (30 June 2020: $3,666,012).

The impact of Coronavirus (COVID-19) pandemic up to 30 June 2021 has been neutral for the Group except for the progressive lowering of interest rates over the financial year which has resulted in a reduction of the ClickSuper float income by $131,000 this year compared to the prior year, and $510,000 when compared to the 2019 financial year. The Company went into the financial year aware that float income would be reduced and therefore focused on earning transaction and licence revenues.

Further commentary on the Group's operating performance and results from operations are set out in the attached Annual Report.

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	0.20	(0.12)

The Group does not have rights-of-use assets and lease liabilities, thus these are not included in the calculations.

4. Control gained over entities

Name of entities (or group of entities)	TipsGo Pty Ltd	Comply Path Holdings Pty Ltd
Date control gained	15 October 2020	28 January 2021
Contribution of such entities to the reporting entity's profit/(loss) from ordinary activities before income tax during the period (where material)		($209,957)

5. Loss of control over entities

Not applicable.

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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 unqualified opinion has been issued and is attached as part of the Annual Report.

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11. Attachments

Details of attachments (if any):

The Annual Report of Integrated Payment Technologies Limited for the year ended 30 June 2021 is attached.

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12. Signed

As authorised by the Board of Directors

Signed ______________________________ Date: 27 August 2021

Emma Dobson
Non-Executive Chair
Sydney

Annual Report for the year ended 30 June 2021

Dear fellow shareholder,

It is with pleasure that we present the Integrated Payment Technologies Limited (**InPayTech**) Annual Report for the financial year ended 30 June 2021.

InPayTech is an Australian RegTech company which has recently undergone a transformational change commencing with the merger with Comply Path Holdings Pty Ltd in January 2021.

The merged business now assists workers, employers, members, and their superannuation funds in meeting their regulatory compliance across the hire to retire lifecycle. We resolve these compliance moments in real time by facilitating the transfer of data and payments between regulated authorities and participants of the ecosystem (HR/payrolls, Accountants, Banks, APRA and SMSF Funds and federal departments like the ATO).

The core of these compliance moments are: New worker checks, Superannuation and wage payments, Taxation reporting, Single Touch Payroll reporting, Super Fund member reporting, Lost Super and consolidation through Rollovers. The technology to do this is transitioning to the Comply Path platform so that we use one set of up-to-date, secure technology. The same technology is licenced and supported for APRA Funds.

Payments will continue to play a critical role for participants in the Hire to Retire ecosystem, in particular the experience for Workers and Employers to better manage pay. Today we are well invested in our flexible offer with payroll providers and employers that use our service to facilitate employee pay, superannuation contributions and other disbursements. There is an increasing move toward open standards such as New Payments Platform (NPP) that will change this landscape and the cost to participate. We will continue to leverage our patents, prior investments and innovation towards real time and flexible payments.

Newer to the business is the worker onboarding and verification technology, a mobile based solution that presents critical compliance moments to a worker in a secure context to uplift experience, increase compliance and drive efficiency for Employers. The solution leverages our core compliance platform and a broader set of third-party integrations and government connectivity (ACIC criminal checks, VEVO Visa status, ASIC contractor entity confirmation and many more). This product is focused on the Payroll and larger employer segments to solve a significant gap in worker and employer compliance. While this newer offering leverages our existing infrastructure, teams and IP, it will provide greater value to clients and is expected to be central to our growth strategy moving forward.

In relation to ClickVu, Comply Path and InPaytech were marketing to similar partnering/sales opportunities, so we have taken a step back to integrate ClickVu intoComply Path (Bond) as part of the technology consolidation which will not only give us more product to license to APRA Funds but also provides the Employer and Payroll analytics on "Worker Compliance". Therefore, at its core, the Bond platform will inherit the ClickVu capability which enables employees to frictionlessly authorise service providers to access specific information, via an employee centric consent model, to simplify the process of accessing financial services for both employees and service providers.

At the time of the merger, InPayTech identified that Comply Path on its own had significant sales opportunities which could be complemented by the bundling of the traditional Superstream, STP and payment services of ClickSuper. It is pleasing to see that the merger is now developing strong momentum in building out our sales pipeline.

We have also built up the senior management team particularly focused on driving sales and marketing. Participation in industry groups, standards committees, media coverage and a proposed new website should see strong growth in a new brand recognition and importantly a growing stream of enquiries.

In the talent pool of both InPayTech and ComplyPath, we have a great team in place now and we'd like to take this opportunity to thank them for the hard work, skill and dedication they've shown throughout the year. We have been humbled by their commitment and enthusiasm in coping with the merger and significant changes in the Board and executive all whilst coping with debilitating COVID restrictions and lockdowns.

The impact of the coronavirus (COVID-19) pandemic has remained neutral for the InPayTech group. The technology and compliance nature of InPayTech has not hindered integration, product development or marketing activities, except for demonstrating PayVu at industry events. We will continue to monitor the impact with particular focus on staff mental health and collaboration productivity.

On behalf of the Board, we'd like to thank all our shareholders for their ongoing support and patience. It takes time to set up a merged company for growth and although we are not there yet we have taken significant positive steps.

Looking ahead, InPayTech's goal is on building licence and transaction revenues through continued expansion across its Payroll providers and Super Fund footprint and continuing to build a strong pipeline of new customers to support scale and ultimately profitability. While we operate in an industry that typically has long sales and implementation cycles, a strong foundation has been laid and our expectation is that the financial year 2022 will be a rewarding one.

Yours sincerely,

Emma Dobson
Non-Executive Chair

Trend Lund
Chief Executive Officer

27 August 2021
Sydney

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Integrated Payment Technologies Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2021.

Directors

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

Emma Dobson	Non-Executive Director (appointed on 1 February 2021) and Chair (appointed on 21 June 2021)
Paul Collins	Non-Executive Director
Trent Lund	Executive Director (appointed on 28 January 2021) and Interim Chief Executive Officer (appointed on 28 April 2021)
Randolf Clinton	Non-Executive Director (appointed on 28 January 2021)
Don Sharp	Executive Chairman (office vacated on 21 June 2021)
Sandra Barns	Non-Executive Director (resigned on 28 January 2021)
Robin Beauchamp	Executive Director and Chief Technology Officer (office vacated on 10 July 2020)

Principal activities

During the financial year the principal activities of the Group consisted of operating the following businesses:

- ClickSuper which provides clearing house services for large employers with 20 or more employees and for SMEs with less than 20 employees.

- Comply Path, from the merger date of 28 January 2021, which provides a secure and trusted platform that connects customers' data to regulatory systems enabling customers to meet their compliance requirements. Comply Path services compliance moments across Superannuation, Payroll, Tax and worker onboarding.

- Payment Adviser which facilitates payments and communication of data concerning the payment between the payer/provider and payee/recipient using the Patents pending or granted to Jagwood.

- PayVu which incorporates ClickSuper and Payment Adviser functionality and interfaces to cloud based accounting software to provide payments via internet banking. The PayVu product will no longer be marketed but its underlying technology and services will be assessed to be incorporated into the Hire to Retire platform in FY22.

- ClickVu, which stemmed from the intellectual property in Tipsgo, is designed to provide a transformative platform for the re-purposing of quality data for worker financial wellbeing. ClickVu is now part of the Bond platform; and

- Jagwood which has patents granted in Asia (i.e. Japan, Hong Kong, Singapore and China) and the Western World (USA, Australia, South Africa and New Zealand) in addition to a patent pending in Canada.

Dividends

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

Review of operations

The loss for the Group after providing for income tax amounted to $3,788,972 (30 June 2020: $3,666,012).

The impact of Coronavirus (COVID-19) pandemic up to 30 June 2021 has been neutral for the Group except for the progressive lowering of interest rates over the financial year which has resulted in a reduction of the ClickSuper float income by $131,000 this year compared to the prior year. The Company went into the financial year aware that float income would be reduced and therefore focused on earning transaction and licence revenues.

Refer to 'Report of the Chair and CEO' for details on the operations throughout the year.

Significant changes in the state of affairs

Acquisition of Comply Path Pty Ltd

On 21 January 2021, the shareholders approved the issuance of 573,260,447 new shares of the Company to acquire 100% of the issued capital of Comply Path Holdings Pty Ltd ('Comply Path'). The acquisition was undertaken as a 100% scrip for scrip acquisition and was completed on 28 January 2021. The issue of the shares resulted in the below:

- Comply Path is a wholly owned subsidiary of the Company; and
- Comply Path shareholders own 50% of the combined group and the Company's shareholders own the remaining 50%.

The acquisition will enable the Group to deliver a next generation payment, compliance and engagement platform to empower working Australians to maximise their wealth and wellbeing by leveraging technology and data.

Acquisition of TipsGo Pty Ltd

On 15 October 2020, the Company issued 33,000,000 shares to complete the acquisition of 100% of the shares of TipsGo Pty Ltd ('TipsGo'). In addition to the issue of shares to acquire TipsGo, a sum of $30,000 was paid for advice for additional Software development. The acquisition will provide the Group full access to the intellectual property rights to TipsGo's open banking and marketplace platform, and formed the basis of the intial ClickVu build.

Australian Patent

On 5 October 2020, the delegate of the Commissioner of Patents at IP Australia accepted the patent application. On 8 October 2020, the Australian patent was advertised in the Australian Official Journal of Patents. There is a standard opposition period of 3 months. On 21 January 2021, the Australian payment patent was granted.

This unique and novel technology makes payment processing more efficient while simultaneously making it easier to meet increasing compliance obligations.

This is the eighth patent for the Group across the globe. The Group's patents in the western world include the United States, South Africa and New Zealand. The Group has also patented its payments process in Asia including China, Japan, Hong Kong and Singapore.

Capital raising

On 8 July 2020, the Company issued 125,546,123 ordinary shares at $0.015 per share as part of the 1 for 2 non-renounceable Entitlement Offer raising a total of $1,883,192.

On 15 July 2020, the Company issued the remaining shortfall shares of 28,874,026 at $0.015 per share under the 1 for 2 non-renounceable Entitlement Offer raising additional $433,110.

On 5 March 2021, the Company issued 76,923,077 shares at $.039 per share to professional and sophisticated investors from a placement raising $2,672,182, net of costs of $327,817.

Shareholder loans

On 15 July 2020, the Group repaid all the shareholder loans totalling $750,000 and is now debt free.

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially neutral for the Group up to 30 June 2021, with the exception of declining interest rates which has impacted float income, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Refer to the Report of the Chair and CEO section for details.

Environmental regulation

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

Information on directors

Name:	Emma Dobson
Title:	Non-Executive Director (appointed on 1 February 2021) and Chair (appointed on 21 June 2021)
Qualifications:	B.Com, GAICD
Experience and expertise:	Emma is currently a Commissioner of the New Zealand Earthquake Commission and a Board Member of DSPANZ, Digital Service Providers Australia New Zeland, as well as participating in a New Zealand Advisory Board for the data standardisation of eInvoicing. As a Member of the SuperStream Advisory Council and a Director at Westpac Institutional Bank she was instrumental in the creation of the SuperStream data standards working closely with the ATO and the Australian treasury and the Superannuation Industry. She has over 30 years' experience In Financial Markets and Banking, as well as extensive experience in Government Policy and Data Standards.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Nomination and Remuneration Committee and Audit, Risk and Compliance Committee
Interests in shares:	1,000,000
Interests in options:	None

Name:	Paul Collins
Title:	Non-Executive Director
Qualifications:	B.Sc., GAICD
Experience and expertise:	Paul has extensive experience with publicly listed technology companies. Over the last 20 years, Paul has been extensively and directly involved in the start-up and subsequent ASX listing of 2 successful FinTech companies. A co-founder of IWL in 1997, he was an Executive Director of this company from its inception, through its listing in 1999 (ASX: IWL) before leaving in 2004. Later in 2004, Mr Collins was a co-founder and Executive Director of Xplore Wealth Limited formerly known as Managed Accounts Holdings Ltd which listed on the ASX in 2014 (ASX: MGP). He chaired the Audit, Risk and Compliance Committees of MGP from 2009 until 2016. In 2017 he accepted the role of Chair of ReadCloud Limited and assisted in listing the company on the ASX in 2018.
Other current directorships:	ReadCloud Limited (ASX: RCL)
Former directorships (last 3 years):	None
Special responsibilities:	Chair of Nomination and Remuneration Committee and Audit, Risk and Compliance Committee
Interests in shares:	42,083,372 ordinary shares held
Interests in options:	None

Name:	Trent Lund
Title:	Chief Executive Officer (appointed on 28 January 2021)
Experience and expertise:	Trent is the Chief Executive Officer of Unlocked Ventures Pty Ltd, a major shareholder of Comply Path. Prior to this role, he was the lead partner for Innovation & Ventures at PwC Australia where he helped organisations leverage emerging technologies to innovate new business models. He co-designed the PwC Global Innovation & Ventures model and led the development of more than 8 technology platforms and 30 products.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Nomination and Remuneration Committee and Audit, Risk and Compliance Committee
Interests in shares:	606,260,447 ordinary shares
Interests in options:	None

Name:	Randolf Clinton
Title:	Non-Executive Director (appointed on 28 January 2021)
Experience and expertise:	Randolf is the founder and Chief Executive Officer of Clinton Capital Partners, a venture capital investment and advisory business that focuses on early-stage technology companies. Prior to this role, he had over 30 years of leadership experience in global investment banking and financial markets, having started, developed or managed businesses across the Asia pacific region. He has worked in London, Singapore, Hong Kong and Australia; and for companies such as JPMorgan Chase & Co, Credit Suisse Group, ABN Amro Bank N.V. and Royal Bank of Scotland.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of Nomination and Remuneration Committee and Audit, Risk and Compliance Committee
Interests in shares:	58,326,045 ordinary shares
Interests in options:	None

'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 and their subsidiaries and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Jillian McGregor (BCom, LLB, Grad Dip GIA) serves as Company Secretary of the Company. Jillian has worked as a corporate lawyer for over 20 years and has a deep knowledge and understanding of the Corporations Act 2001 and the ASX listing rules.

Meetings of directors
The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2021, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit, Risk and Compliance Committee	
	Attended	Held	Attended	Held	Attended	Held
Emma Dobson	9	10	1	1	4	4
Paul Collins	17	17	1	1	8	8
Trent Lund	9	10	1	1	4	4
Randolf Clinton	10	10	1	1	4	4
Donald Sharp	15	15	1	1	8	8
Sandra Barns	7	7	-	-	4	4
Robin Beauchamp	-	-	-	-	-	-

Held: represents the number of meetings held during the time the director held office and was a member of the relevant committee.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Group, 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 disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the Group'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; and
- transparency.

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Nomination and Remuneration Committee has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of their own remuneration. Non-executive directors do not receive share options or other incentives, unless approved by shareholders.

The annual non-executive directors’ fees are currently $60,000 plus superannuation guarantee contribution for each non-executive director. However, other members of Board Committees are not entitled to receive any additional remuneration for their role as Committee member.

Under the Constitution, the Board may decide the remuneration of each director is entitled to for his services in any capacity. However, the total amount paid to all non-executive directors must not exceed in aggregate in any financial year, the amount fixed by the Company in a general meeting. The Company shareholders are approved the maximum amount of $500,000 per annum including superannuation at the Company's Annual General Meeting in January 2021.

Executive remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has three components:
- base pay and non-monetary benefits;
- share-based payments; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

There are no short-term incentives ('STI') such as bonuses currently in place.

The long-term incentives ('LTI') include long service leave and share-based payments. Senior executives participate in the Employee Share Option Plan ('ESOP').

Employee Share Option Plan

The Board approved the Integrated Payment Technologies Limited Employee Share Option Plan ('ESOP' or 'Plan') on 21 January 2021. The Plan is governed by the Plan rules ('Plan Rules'), a summary of which is set out below.

Persons eligible to participate in the Plan are full-time or part-time employees (including executive directors), non-executive directors and contractors and casual employees of the Group who satisfy various conditions set out in the Plan ('Eligible Persons').

The Plan was established to enable the Group to retain and attract skilled and experienced employees, contractors and directors and provide them with the motivation to make the Group more successful. The Plan is designed to support interdependence between the Company and Eligible Persons for their long-term mutual benefit.

Under the Plan, unless otherwise determined by the Board, no payment is required for the grant of options under the Plan. An offer by the Board shall specify the terms and conditions of the grant at its discretion. An Eligible Person may renounce an offer under the Plan in favour of a permitted nominee. Options granted under the Plan may not otherwise be transferred or encumbered by a Participant, unless the Board determines otherwise.

The Board at its sole discretion may invite any Eligible Person selected by it ('Participant') to complete an application relating to a specified number of options allocated to that Eligible Person by the Board.

An offer by the Board shall specify the date of grant, the total number of options granted, exercise price and exercise period for the options and any other matters the Board determines, including exercise conditions attaching to the options. Subject to the discretion of the Board, an Eligible Person may renounce an offer under the Plan in favour of a permitted nominee.

Options granted under the Plan are not capable of being transferred or encumbered by a Participant, unless the Board determines otherwise.

Options do not carry any voting or dividend rights. Shares issued or transferred to Participants on exercise of an option carry the same rights and entitlements as other issued shares, including dividend and voting rights.

The Company has no obligation to apply for quotation of the options on the ASX.

In general terms, options granted under the Plan may only be exercised if the exercise conditions have been met or are waived by the Board, the exercise price has been paid to the Company and the options are exercised within the exercise period relating to the option. An option granted under the Plan may not be exercised once it has lapsed.

An option may be exercised, whether or not any or all applicable exercise conditions have been met, on the occurrence of a predominant control event, being, in general terms, where a person owns at least 90% of the issued ordinary share capital of the Company following an offer by the person for the whole of the issued share capital of the Company.

The Company will apply to ASX for official quotation of shares issued upon exercise of options granted under the Plan so long as the shares are quoted on the Official List of ASX at that time.

The Company may financially assist a person to pay any exercise price for an option, subject to compliance with the provisions of the Corporations Act and the Listing Rules relating to financial assistance.

If a Participant ceases to be a director, an employee or a contractor of any member of the Group due to his or her resignation, dismissal for cause or poor performance or in any other circumstances determined by the Board, vested options held by the Participant will automatically lapse on the date of cessation, unless the Board determines otherwise. All unvested options will lapse at the date of cessation.

If, in the opinion of the Board, a Participant has acted fraudulently or dishonestly, the Board may determine that any option granted to that Participant should lapse, and the option will lapse accordingly.

If the Company or any member of the Group has an obligation in relation to a tax liability associated with the grant or vesting of any option ('Tax Liability'), then the Company may sell a sufficient number of shares, post vesting or exercise of the option, to cover the Tax Liability. A Participant may enter into alternative arrangements, if acceptable to the Board, to settle any Tax Liability.

In the event of any reconstruction of the share capital of the Company, pro rate issue, or bonus issue of shares, the number of options to which each Participant is entitled and/or the exercise price of those options will be adjusted accordingly pursuant to the Plan.

The Board may terminate or suspend the operation of the Plan at any time. In passing a resolution to terminate or suspend the operation of the Plan or to supplement or amend these rules, the Board must consider and endeavour to ensure that there is fair and equitable treatment of all Participants. On termination of the Plan, no compensation under any contract of employment, consultancy or directorship between an Eligible Person and a member of the Group will arise as a result.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the Group via the Employee Share Option Plan where the shares vest when certain share prices are reached (see note on Share based compensation section). There are no short term bonuses paid but there are annual remuneration reviews at the discretion of the Nomination and Remuneration Committee.

Use of remuneration consultants
During the financial year ended 30 June 2021, the Group did not engage any remuneration consultants to review its remuneration policies.

Voting and comments made at the Company's 2020 Annual General Meeting ('AGM')
At the 21 January 2021 AGM, 99.54% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2020. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration
The key management personnel of the Group consisted of the directors of Integrated Payment Technologies Limited and the following persons:
- Karen Gilmour - Chief Financial Officer (appointed on 28 June 2021)
- Dean Martin - Chief Executive Officer (resigned on 28 April 2021)

Amounts of remuneration
Details of the remuneration of key management personnel of the Group are set out in the following tables:

2021	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Leave benefits $	Share-based payments: Equity-settled $	Total $
Non-Executive Directors:							
Emma Dobson *	26,515	-	-	2,519	-	-	29,034
Paul Collins	60,000	-	-	5,700	-	-	65,700
Randolf Clinton*	25,000	-	-	2,375	-	-	27,375
Sandra Barns**	42,850	-	-	520	-	-	43,370
Executive Directors:							
Trent Lund*	61,318	-	-	5,825	-	-	67,143
Donald Sharp**	70,585	-	-	11,540	28,365	-	110,490
Robin Beauchamp**	5,956	-	-	566	-	-	6,522
Other Key Management Personnel:							
Karen Gilmour*	2,159	-	-	205	-	-	2,364
Dean Martin**	224,823	-	-	24,352	58,843	-	308,018
	519,206	-	-	53,602	87,208	-	660,016

* Remuneration disclosed is for the period from appointment to 30 June 2021.
** Remuneration disclosed is from 1 July 2020 to the date of cessation of employment and/or appointment.

2020	Short-term benefits: Cash salary and fees $	Short-term benefits: Cash bonus $	Short-term benefits: Non-monetary $	Post-employment benefits: Super-annuation $	Long-term benefits: Leave benefits $	Share-based payments: Equity-settled $	Total $
Non-Executive Directors:							
Paul Collins	60,000	-	-	5,700	-	-	65,700
Sandra Barns*	28,260	-	-	1,260	-	-	29,520
Executive Directors:							
Donald Sharp	80,505	-	-	-	-	-	80,505
Robin Beauchamp	278,161	-	-	25,000	6,849	-	310,010
Other Key Management Personnel:							
Dean Martin	195,996	-	-	17,352	6,088	41,065	260,501
	642,922	-	-	49,312	12,937	41,065	746,236

* Remuneration disclosed is for the period from appointment to 30 June 2020.

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

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2021	2020	2021	2020	2021	2020
Non-Executive Directors:						
Emma Dobson	100%	-	-	-	-	-
Paul Collins	100%	100%	-	-	-	-
Randolf Clinton	100%	-	-	-	-	-
Sandra Barns	100%	100%	-	-	-	-
Executive Directors:						
Trent Lund	100%	-	-	-	-	-
Donald Sharp	100%	100%	-	-	-	-
Robin Beauchamp	-	100%	-	-	-	-
Other Key Management Personnel:						
Karen Gilmour	100%	-	-	-	-	-
Dean Martin	100%	84%	-	-	-	16%

Service agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Director's Fees and other terms of engagement for Non-Executive Directors are set out in written letters of appointment. Details of these agreements are as follows:

Name:	Emma Dobson
Title:	Non-Executive Director (appointed on 1 February 2021) and Chair (appointed on 21 June 2021)
Agreement commenced:	1 February 2021
Details:	$60,000 per annum plus superannuation as Non-Executive Director (from 1 February 2021 to 20 June 2021); $110,000 per annum plus $10,000 superannuation as Chair from 21 June 2021.

Name:	Paul Collins
Title:	Non-Executive Director
Agreement commenced:	19 October 2018
Details:	$60,000 per annum plus $5,700 superannuation

Name:	Trent Lund
Title:	Chief Executive Officer
Agreement commenced:	28 January 2021
Details:	$22,000 per month (exclusive of superannuation) including director fees

Name:	Randolf Clinton
Title:	Non-Executive Director
Agreement commenced:	28 January 2021
Details:	$60,000 per annum plus $5,700 superannuation

Name:	Karen Gilmour
Title:	Chief Financial Officer
Agreement commenced:	28 June 2021
Details:	$190,000 per annum plus $19,000 superannuation

Notice and termination provisions of up to three months are required where executive management personnel leave, with the exception of one month for the CEO, Trent Lund. In the event of serious misconduct of key management personnel, the Group may sever the agreement without notice. Leave entitlements are as per the applicable employment standards and legislation. No bonus arrangements are in place for key management personnel at present. Senior management may participate in the Employee Share Option Plan.

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 2021.

Options

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
3 Nov 2020	3 Nov 2020	3 Nov 2023	$0.0335	$0.028

Options granted carry no dividend or voting rights.

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 Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other	Balance at the end of the year
Ordinary shares					
Emma Dobson	-	-	-	-	-
Paul Collins	8,373,374	-	33,710,000	-	42,083,374
Randolf Clinton	-	-	57,326,045	-	57,326,045
Trent Lund	-	-	606,260,477	-	606,260,477
Donald Sharp*	78,474,874	-	23,242,303	(101,717,177)	-
Robin Beauchamp*	4,141,290	-	-	(4,141,290)	-
Dean Martin	-	-	-	-	-
Karen Gilmour	-	-	-	-	-
	90,989,538	-	720,538,825	(105,858,467)	705,669,896

* Share disposal represents the shares held to the date of cessation as a director.

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 Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised as remuneration	Forfeited	Balance at the end of the year
Options over ordinary shares					
Emma Dobson	-	-	-	-	-
Paul Collins	-	-	-	-	-
Randolf Clinton	-	-	-	-	-
Trent Lund	-	-	-	-	-
Robin Beauchamp	5,000,000	-	-	(5,000,000)	-
Dean Martin	5,000,000	5,000,000	-	(10,000,000)	-
Karen Gilmour	-	-	-	-	-
	10,000,000	5,000,000	-	(15,000,000)	-

This concludes the remuneration report, which has been audited.

Shares under option

Unissued ordinary shares of Integrated Payment Technologies Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
15 October 2020	15 October 2022	$0.0350	1,850,000
3 November 2020	3 November 2023	$0.0290	10,000,000
16 March 2021	16 March 2023	$0.0700	2,850,000
			14,700,000

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 Integrated Payments Technologies Limited issued on the exercise of options during the year ended 30 June 2021 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

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

Officers of the Company who are former partners of Grant Thornton Audit Pty Ltd

There are no officers of the Company who are former partners of Grant Thornton Audit Pty Ltd.

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

Grant Thornton Audit Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

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

Emma Dobson
Non-Executive Chair

27 August 2021
Sydney

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Sydney NSW 2000

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Auditor's Independence Declaration

To the Directors of Integrated Payment Technologies Limited

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

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

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

RJ Isbell

R J Isbell
Partner – Audit & Assurance

Sydney, 27 August 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Revenue			
Service fees	5	2,031,560	1,426,490
R&D income		67,664	67,664
		2,099,224	1,494,154
Less transaction costs		(447,969)	(495,361)
Gross margin		1,651,255	998,793
Other income	6	100,000	100,000
Interest revenue calculated using the effective interest method		3,979	5,292
Expenses			
Employee benefits expense		(2,274,968)	(1,755,063)
Consulting fees		(427,775)	(347,546)
Depreciation and amortisation expense	7	(1,860,088)	(1,848,327)
Reversals of impairment/(impairment) of receivables		49,880	(49,880)
Conference and marketing		(76,405)	(218,090)
Premises expense		(91,743)	(76,685)
Patents		(10,512)	(8,618)
Share-based payments	30	(188,148)	(74,775)
ASX Listing costs		(43,362)	(27,842)
Other expenses		(618,830)	(344,933)
Finance costs	7	(2,255)	(24,183)
Loss before income tax benefit		(3,788,972)	(3,671,857)
Income tax benefit	8	-	5,845
Loss after income tax benefit for the year attributable to the owners of Integrated Payment Technologies Limited		(3,788,972)	(3,666,012)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Integrated Payment Technologies Limited		(3,788,972)	(3,666,012)
		Cents	**Cents**
Basic earnings per share	29	(0.458)	(1.180)
Diluted earnings per share	29	(0.458)	(1.180)

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

Integrated Payment Technologies Limited
Statement of financial position
As at 30 June 2021

	Note	Consolidated 2021 $	Consolidated 2020 $
Assets			
Current assets			
Cash and cash equivalents	9	2,731,435	990,954
Trade and other receivables	10	608,201	245,869
Total current assets		3,339,636	1,236,823
Non-current assets			
Plant and equipment	11	15,633	23,356
Intangibles	12	17,530,589	2,611,156
Total non-current assets		17,546,222	2,634,512
Total assets		20,885,858	3,871,335
Liabilities			
Current liabilities			
Trade and other payables	13	362,133	488,497
Deferred R&D government grant	15	67,664	67,663
Borrowings	14	-	750,000
Employee benefits		454,668	186,966
Redundancy provision		-	179,125
Total current liabilities		884,465	1,672,251
Non-current liabilities			
Deferred R&D government grant		-	67,664
Employee benefits		36,444	-
Total non-current liabilities		36,444	67,664
Total liabilities		920,909	1,739,915
Net assets		19,964,949	2,131,420
Equity			
Issued capital	16	44,032,967	22,690,408
Share option reserve		274,791	74,775
Accumulated losses		(24,342,809)	(20,633,763)
Total equity		19,964,949	2,131,420

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

Consolidated	Issued capital $	Share option reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2019	21,600,708	674,952	(17,642,703)	4,632,957
Loss after income tax benefit for the year	-	-	(3,666,012)	(3,666,012)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,666,012)	(3,666,012)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 16)	1,089,700	-	-	1,089,700
Share-based payments (note 30)	-	74,775	-	74,775
Lapsed options transferred to accumulated losses	-	(674,952)	674,952	-
Balance at 30 June 2020	22,690,408	74,775	(20,633,763)	2,131,420

Consolidated	Issued capital $	Share option reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2020	22,690,408	74,775	(20,633,763)	2,131,420
Loss after income tax expense for the year	-	-	(3,788,972)	(3,788,972)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,788,972)	(3,788,972)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 16)	21,342,559	-	-	21,342,559
Share-based payments (note 30)	-	279,942	-	279,942
Lapsed options transferred to accumulated losses	-	(79,926)	79,926	-
Balance at 30 June 2021	44,032,967	274,791	(24,342,809)	19,964,949

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

	Note	Consolidated 2021 $	Consolidated 2020 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,136,452	1,513,056
Payments to suppliers and employees (inclusive of GST)		(4,284,424)	(3,068,220)
		(2,147,972)	(1,555,164)
Interest received		3,979	5,286
Government grants received		100,000	100,000
Interest and other finance costs paid		(2,255)	(24,183)
Net cash used in operating activities	27	(2,046,248)	(1,474,061)
Cash flows from investing activities			
Cash acquired on business combinations	25	337,663	-
Payments for plant and equipment	11	(10,774)	(5,576)
Payments for intangibles	12	(526,165)	(817,209)
Payments for acquisition related services		(164,316)	-
Net cash used in investing activities		(363,592)	(822,785)
Cash flows from financing activities			
Proceeds from issue of shares	16	5,316,302	1,155,000
Share issue transaction costs	16	(415,981)	(77,440)
Proceeds from shareholder loans	14	-	750,000
Repayment of shareholder loans	14	(750,000)	-
Net cash from financing activities		4,150,321	1,827,560
Net increase/(decrease) in cash and cash equivalents		1,740,481	(469,286)
Cash and cash equivalents at the beginning of the financial year		990,954	1,460,240
Cash and cash equivalents at the end of the financial year	9	2,731,435	990,954

Note 1. General information

The financial statements cover Integrated Payment Technologies Limited as a Group consisting of Integrated Payment Technologies Limited ('Company' or 'parent entity') and the entities it controlled at the end of, or during, the year (together are referred to in these financial statements as the 'Group'). The financial statements are presented in Australian dollars, which is Integrated Payment Technologies Limited's functional and presentation currency.

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

Level 24
66 Goulburn Street
Sydney NSW 2000

A description of the nature of the Group'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 27 August 2021. The directors have the power to amend and reissue the financial statements.

Note 2. 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 Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Group:

Conceptual Framework for Financial Reporting (Conceptual Framework)
The Group has adopted the revised Conceptual Framework from 1 January 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the Group's financial statements.

AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business
The Group has adopted AASB 2018-6 from 1 July 2020. The standard applies to annual periods beginning on or after 1 July 2020. This standard amends the definition of a business contained in AASB 3 ‘Business Combinations’ thereby affecting whether a transaction should be accounted for as a business combination or as an asset acquisition. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create goods or services to customers, generating investment income or other income from ordinary activities. The amendments provide guidance to assist entities assess whether a substantive process has been acquired; and adds an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The amendments apply to asset acquisitions and business combinations for which the acquisition date is on or after the first annual reporting period beginning on or after 1 July 2020. It therefore does not affect prior periods. The standard was applied to business combinations during the reporting period. Refer to note 25 for further information.

Going concern

The financial statements has been prepared on a 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. For the year ended 30 June 2021, the Group recorded a loss before income tax, impairment of intangibles, amortisation and depreciation and share-based payments of $1,740,736 (2020: loss of $1,748,754); showed net cash outflows from investing activities of $363,592 (2020: $822,785) and net cash outflows from operating activities of $2,046,248 (2020: $1,474,061). The net assets of the Group as at 30 June 2021 were $19,964,949 (2020: $2,131,420).

Note 2. Significant accounting policies (continued)

As at 30 June 2021, the Group had cash and cash equivalents of $2,731,435 (2020 : $990,954). COVID-19 restrictions, other than the fall in interest rates have not had a material impact on the financial performance or financial position of the Group.

At the date of approval of these financial statements, the directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial statements at 30 June 2021. Accordingly, no adjustments have been made to the financial statements relating to the recoverability and classification of the asset carrying amounts or the amounts and classifications of liabilities that might be necessary.

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 Group'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 3.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 24.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Integrated Payment Technologies Limited as at 30 June 2021 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group 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 Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group 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 Group.

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 Group 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 Group 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.

Note 2. Significant accounting policies (continued)

Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable. The Group recognises revenue when the amount can be reliably measured, it is probable that future economic benefits will flow to the consolidated group and specific criteria for each of the activities.

Revenue is recognised for the major business activities as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: 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. The Group's performance is completed at the time of providing the service.

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.

Service fees and transaction fees
Service fees are earned where the group provides facility services to the customer which is identified as a single performance obligation. The performance obligation is satisfied by the service being available for customer use over time therefore revenue is recognised over time. Service fees are rendered based on a fixed price. Transaction fees are recognised as revenue at a point in time based on the satisfaction of the performance obligation being the completion of the transaction.

Float interest
Float interest income comprises interest income on funds held over the standard processing period. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Government grants
Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and that the Group will comply with all attached conditions. Government grants relating to costs incurred are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate.

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.

Note 2. Significant accounting policies (continued)

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.

Integrated Payment Technologies Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

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 Group'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 Group'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.

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 Group 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.

Note 2. Significant accounting policies (continued)

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 diminishing value basis to write off the net cost of each item of plant and equipment over their expected useful lives as follows:

Leasehold improvements	20%
Plant and equipment	60%
Office equipment	20% - 60%

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

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

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. 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.

Intellectual property
Intellectual property acquired as part of a business combination are initially measured at their fair value at the date of the acquisition and are subsequently measured at cost less amortisation and any impairment. Intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of five years.

Patents
Significant costs associated with patents are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of the underlying patent of 10 years.

Brand name
Brand name arises on the acquisition of a business. Brand name is not amortised since management considers that the useful life is indefinite, because there is no foreseeable limit to the cash flows it can generate. Instead, brand name 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.

Client relationships
Significant costs associated with acquired client relationships are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of four years.

Research costs and assets under 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 Group is able to use or sell the asset; the Group has sufficient resources; and intent to complete the development and its costs can be measured reliably. Amortisation commences when the asset is available for use, that is when it is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Note 2. Significant accounting policies (continued)

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 five years.

Impairment of non-financial assets
Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill, brand name and assets under development are tested annually for impairment, or more frequently if 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 fair value less costs of disposal is determined using an income approach (i.e. a discounted cash flow approach). 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 Group 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.

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.

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

Employee benefits

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

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

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

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

Note 2. 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.

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 Group 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.

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 Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group 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.

Issued capital
Ordinary shares are classified as equity.

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

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

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 acquisition method of accounting is used to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. To determine whether a set of activities and assets constitutes a business, the Group has the choice to apply a ‘concentration test’, which is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. Alternatively, to determine if a business has been acquired, the Group assesses whether (as a minimum) an input and substantive process has been acquired and whether there is an ability to produce outputs from these.

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. Acquisition costs are capitalised as value in use cost.

Note 2. Significant accounting policies (continued)

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.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Integrated Payment Technologies 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 additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

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 Group for the annual reporting period ended 30 June 2021. The Group has assessed the impact of these new or amended Accounting Standards and Interpretations. At this time, the application of new or amended Accounting Standards and Interpretations is not expected to have a material impact on the Group’s financial statements.

Note 3. 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.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the COVID-19 pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the COVID-19 pandemic.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amount of the cash-generating unit have been determined based on calculations to determine fair value less cost of disposal. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves assessing the value of the asset at fair value less costs of disposal and using value-in-use models which incorporate a number of key estimates and assumptions.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Business combinations
The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment.

Capitalised software development costs
Distinguishing the research and development phases of a new customised software project and determining whether the recognition requirements for capitalisation of development costs are met requires judgement. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

Leases
The Group determines whether a contract is, or contains, a lease at the commencement date. This is done by assessing whether the contract contains an identified asset, has the right to obtain substantially all of the economic benefits from the use of the identified asset throughout the period of use and has the right to direct how and for what purpose the asset is used throughout the period of use.

In determining the lease term, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken to help determine the lease term. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Where a lease is deemed to have a term more than 12 months, the minimum lease payments made are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Where a lease term is deemed to be short term, the short-term lease exemption is applied and the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the term of the lease.

Where the underlying asset of the lease is deemed to be low value, the low value exemption is applied, and the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the term of the lease.

Note 4. Operating segments

The Group is organised into one operating segment relating to the provision of services that enable its customers to meet their regulatory compliance across the hire to retire life cycle. It does that by facilitating the transfer of data and payments between regulated authorities and participants of the ecosystem (HR/payrolls, Accountants, Banks, APRA, and SMSF Funds and federal departments like the ATO).

The information reported to the Board of Directors (being the Chief Operating Decision Makers ('CODM')) consists of the results as shown in the statement of profit or loss and other comprehensive income and statement of financial position in this Annual Report and has therefore not been replicated as segment disclosure.

The directors have determined that there are no operating segments identified for the year which are considered separately reportable.

Major customers
During the year ended 30 June 2021, PricewaterhouseCoopers and Commonwealth Super Corporation generated 22% and 9% respectively of total revenues. There were no other significant sales to one customer. During the year ended 30 June 2020 there were no significant sales to one major customer.

Note 5. Revenue

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

	Consolidated	
	2021 $	2020 $
Major product lines		
ClickSuper	1,292,157	1,405,120
Payment Adviser	18,815	21,370
Bond by Comply Path (post merger contributions)	720,588	-
	2,031,560	1,426,490
Timing of revenue recognition		
Services transferred at a point in time	1,653,620	1,074,861
Services transferred over time	377,940	351,629
	2,031,560	1,426,490

Note 6. Other income

	Consolidated	
	2021	2020
	$	$
Government grants (COVID-19)	100,000	100,000

Government grants (COVID-19)
During the year the Group received payments from the Australian Government amounting to $100,000 (2020: $100,000) as part of its ‘Boosting Cash Flow for Employers’ scheme in response to the COVID-19 pandemic. Eligible employers with aggregated annual turnover of less than $50 million are eligible to receive payments of between $20,000 and $100,000 which are credited against amounts owed on an activity statement and based on PAYG withheld on employee’s salary and wages for the period March 2020 to March 2021. Such amounts have been recognised as government grants in the financial statements, are non-taxable, and are recorded as income once there is reasonable assurance that the Group will comply with any required conditions which is practically at the time that a liability for PAYG withholding tax is incurred and salaries are paid.

Note 7. Expenses

	Consolidated	
	2021	2020
	$	$
Loss before income tax includes the following specific expenses:		
Depreciation		
Leasehold improvements	10,994	2,562
Plant and equipment	7,196	11,069
Office equipment	3,612	336
Total depreciation	21,802	13,967
Amortisation		
Intellectual property	142,260	-
Patents	44,987	22,738
Software	1,114,568	365,901
Client relationships	79,917	562,694
PayVu	456,554	320,333
Total amortisation	1,838,286	1,271,666
Total depreciation and amortisation	1,860,088	1,285,633
Finance costs		
Interest and finance charges paid/payable on borrowings	2,255	24,183
Leases		
Short-term lease payments	91,743	76,685
Superannuation expense		
Defined contribution superannuation expense	189,303	172,312

Note 8. Income tax

	Consolidated 2021 $	Consolidated 2020 $
Income tax benefit		
Current tax expense	-	(5,845)
Aggregate income tax benefit	-	(5,845)
Deferred tax included in income tax benefit comprises:		
Increase/(decrease) in deferred tax assets	256,750	563,596
Decrease/(increase) in deferred tax liabilities	(256,750)	(563,596)
Deferred tax - origination and reversal of temporary differences	-	-
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(3,788,972)	(3,671,857)
Tax at the statutory tax rate of 26% (2020: 27.5%)	(985,133)	(1,009,761)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable income	(99,671)	-
Non-deductible expenses	69,654	-
	(1,015,150)	(1,009,761)
Current year temporary differences not recognised	1,015,150	998,071
Adjustment recognised for prior periods	-	5,845
Income tax benefit	-	(5,845)

	Consolidated 2021 $	Consolidated 2020 $
Deferred tax assets		
Tax losses	2,998,223	2,198,469
Plant and equipment	-	315,019
Employee benefits	125,479	80,989
Accrued expenses	19,290	14,044
Costs of capital raising	5,389	40,413
Costs of Initial Public Offer	98,604	31,812
ASX listing and transaction costs	-	970
Deferred tax assets not recognised	(3,246,985)	(2,681,716)
	-	-

	Consolidated 2021 $	Consolidated 2020 $
Deferred tax asset		
Movements:		
Opening balance	-	563,596
Credited/(charged) to profit or loss	256,750	(563,596)
Net-off with deferred tax liability	(256,750)	-
Closing balance	-	-

Note 8. Income tax (continued)

	Consolidated 2021 $	Consolidated 2020 $
Deferred tax liability		
Movements:		
Opening balance	-	563,596
Charged/(credited) to profit or loss	256,750	(563,596)
Net off with deferred tax assets	(256,750)	-
Closing balance	-	-

Note 9. Current assets - cash and cash equivalents

	Consolidated 2021 $	Consolidated 2020 $
Cash at bank	331,434	967,817
Cash on deposit	2,400,001	23,137
	2,731,435	990,954

Note 10. Current assets - trade and other receivables

	Consolidated 2021 $	Consolidated 2020 $
Trade receivables	467,086	211,213
Less: Allowance for expected credit losses	-	(49,880)
	467,086	161,333
Other receivables	16,051	3,998
Goods and services tax receivable	41,901	23,468
Prepayments	83,163	57,070
	608,201	245,869

Allowance for expected credit losses
The Group has recognised a gain of $49,880 (2020: loss of $49,880) in profit or loss in respect of impairment of receivables for the year ended 30 June 2021. The gain relates to the reversal of prior year impairment due to receivable being recovered.

Note 10. Current assets - trade and other receivables (continued)

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Carrying amount		Allowance for expected credit losses	
Consolidated	2021 $	2020 $	2021 $	2020 $
Not overdue	460,664	194,259	-	32,926
0 to 3 months overdue	4,405	-	-	-
3 to 6 months overdue	1,403	14,961	-	14,961
Over 6 months overdue	614	1,993	-	1,993
	467,086	211,213	-	49,880

Movements in the allowance for expected credit losses are as follows:

	Consolidated 2021 $	Consolidated 2020 $
Opening balance	49,880	-
Additional provisions recognised	-	49,880
Unused amounts reversed	(49,880)	-
Closing balance	-	49,880

Note 11. Non-current assets - plant and equipment

	Consolidated 2021 $	Consolidated 2020 $
Leasehold improvements - at cost	-	25,081
Less: Accumulated depreciation	-	(14,087)
	-	10,994
Plant and equipment - at cost	30,077	38,612
Less: Accumulated depreciation	(22,807)	(27,691)
	7,270	10,921
Office equipment - at cost	10,535	3,173
Less: Accumulated depreciation	(2,172)	(1,732)
	8,363	1,441
	15,633	23,356

Note 11. Non-current assets - 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	Leasehold improvements $	Plant and equipment $	Office equipment $	Total $
Balance at 1 July 2019	13,556	16,414	1,777	31,747
Additions	-	5,576	-	5,576
Depreciation expense	(2,562)	(11,069)	(336)	(13,967)
Balance at 30 June 2020	10,994	10,921	1,441	23,356
Additions	-	3,545	7,229	10,774
Additions through business combinations (note 25)	-	-	3,305	3,305
Depreciation expense	(10,994)	(7,196)	(3,612)	(21,802)
Balance at 30 June 2021	-	7,270	8,363	15,633

Note 12. Non-current assets - intangibles

	Consolidated 2021 $	Consolidated 2020 $
Goodwill - at cost	11,921,492	6,755,549
Less: Impairment	(6,755,549)	(6,755,549)
	5,165,943	-
Intellectual property - at cost	1,054,611	-
Less: Accumulated amortisation	(142,260)	-
	912,351	-
Patents and trademarks - at cost	1,067,201	1,006,790
Less: Accumulated amortisation	(148,223)	(103,235)
Less: Impairment	(320,960)	(320,960)
	598,018	582,595
Software - at cost	13,659,103	6,940,171
Less: Accumulated amortisation	(2,084,776)	(3,244,477)
Less: Impairment	(1,667,133)	(1,667,133)
	9,907,194	2,028,561
Brand name - at cost	68,000	-
Client relationships - at cost	6,082,600	5,123,600
Less: Accumulated amortisation	(4,279,465)	(4,199,548)
Less: Impairment	(924,052)	(924,052)
	879,083	-
	17,530,589	2,611,156

Note 12. 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 $	Intellectual property $	Patents and trademarks $	Software $	Brand name $	Client relationships $	Total $
Balance at 1 July 2019	-	-	390,892	2,030,377	-	1,125,388	3,546,657
Additions	-	-	214,441	684,418	-	-	898,859
Amortisation expense	-	-	(22,738)	(686,234)	-	(1,125,388)	(1,834,360)
Balance at 30 June 2020	-	-	582,595	2,028,561	-	-	2,611,156
Additions	-	-	60,411	465,754	-	-	526,165
Additions through business combinations (note 25)	5,165,943	1,055,234	-	8,984,000	68,000	959,000	16,232,177
Write off of assets	-	(623)	-	-	-	-	(623)
Amortisation expense	-	(142,260)	(44,988)	(1,571,121)	-	(79,917)	(1,838,286)
Balance at 30 June 2021	5,165,943	912,351	598,018	9,907,194	68,000	879,083	17,530,589

Impairment tests for goodwill and all other intangibles
Goodwill acquired through business combinations has been allocated to and is tested at the level of their respective cash generating units (CGUs), for impairment testing.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. In determining the recoverable amount of assets, in absence of quoted market prices, estimates are made regarding the present value of future post tax cash flows. Where separately identifiable cash flows cannot be identified at the asset level, they have then been assessed at the CGU level.

For the purpose of impairment testing of goodwill and other intangible assets, management has assessed that goodwill cannot be allocated on a non-arbitrary basis to individual CGUs, and has allocated to a group of CGUs. This group is comprised of ClickSuper, PayVu, and Comply Path.

In the prior year, the recoverable amount of the CGU was determined based on a fair value less cost of disposal. Based on the impairment test the recoverable amount exceeded the carrying amount and therefore no impairment existed as at 30 June 2020.

As of 30 June 2021, the recoverable amount of the group of the CGUs was determined based on a fair value less cost of disposal, consistent with the methods used as at 30 June 2020. Based on the impairment test the recoverable amount exceeds the carrying amount and therefore no impairment exists as at 30 June 2021.

Key assumptions used in DCF calculations
The recoverable amount of the CGU is calculated as the higher of the CGU's value in use and its fair value less cost of disposal. Management has calculated the fair cost less cost of disposal of the group of CGUs. The primary valuation methodology was a discounted cash flow (DCF) analysis.

The calculation of fair value less cost of disposal in use for the CGUs was most sensitive to the following assumptions:
- Revenue growth; and
- Discount rates.

Note 12. Non-current assets - intangibles (continued)

Discount and long term growth rates
The following table sets out the summary key assumptions for the group of CGUs:

Forecasts	30 Jun 2021	30 Jun 2020
Revenue growth	FY22 increased by 149% FY23 increased by 49% FY24 increased by 33% FY25 increased by 37% FY25 increased by 36%	FY21 increased by 48% FY22 increased by 36% FY23 to FY25 is increased by 10% p.a.%
Discount rates - weighted average cost of capital (WACC)	17%	20%

Sensitivity to changes in assumptions
Management has considered and assessed reasonably possible changes in key assumptions as at 30 June 2021. Management noted that the assumptions within revenue forecasts would have to be decreased by 7% (2020: 18.27%) or the discount rate increased to 18% (2020: 26.7%) for the recoverable amount to equal the carrying amount.

Management does not consider these changes in assumptions to be reasonably possible.

Note 13. Current liabilities - trade and other payables

	Consolidated 2021 $	Consolidated 2020 $
Trade payables	111,876	249,183
Accrued expenses	60,942	61,410
Other payables	189,315	177,904
	362,133	488,497

Refer to note 18 for further information on financial instruments.

Note 14. Current liabilities - borrowings

	Consolidated 2021 $	Consolidated 2020 $
Shareholder loans	-	750,000

Shareholder loans
Shareholder loans mature after 12 months from the date of issue (30 October 2019). Interest accrues at the rate of 8% per annum. These loans were paid on 15 July 2020 after completion of the entitlement offer on issue of new ordinary shares of the Company.

Note 15. Current liabilities - deferred R&D government grant

	Consolidated 2021 $	Consolidated 2020 $
Deferred R&D government grant	67,664	67,663

Note 16. Equity - issued capital

	Consolidated			
	2021 Shares	2020 Shares	2021 $	2020 $
Ordinary shares - fully paid	1,223,443,971	385,840,298	44,032,967	22,690,408

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2019	308,840,298		21,600,708
Issue of shares - entitlement offer	22 June 2020	77,000,000	$0.0150	1,155,000
Less: share issue transaction costs		-	$0.0000	(65,300)
Balance	30 June 2020	385,840,298		22,690,408
Issue of shares - entitlement offer	8 July 2020	125,546,123	$0.0150	1,883,192
Issue of shares - entitlement offer	15 July 2020	28,874,026	$0.0150	433,110
Issue of shares on business combination (note 25)	15 October 2020	33,000,000	$0.0320	1,056,000
Issue of shares on business combination	28 January 2021	573,260,447	$0.0270	15,478,032
Shares issued on capital raising	5 March 2021	76,923,077	$0.0390	3,000,000
Less: share issue transaction costs		-	$0.0000	(507,775)
Balance	30 June 2021	1,223,443,971		44,032,967

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. 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.

Capital risk management
The Group'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.

Management assesses the Group’s capital requirements in order to maintain an efficient overall funding structure while avoiding excessive leverage. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group 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 capital risk management policy remains unchanged from the 2020 Annual Report.

Note 17. Equity - dividends

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

Franking credits
The Group has not paid income tax and there are no franking credits.

Note 18. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group'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 Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and, ageing analysis for credit risk. The Group does not use derivative financial instruments to manage risk.

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 Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk, price risk and interest rate risk
The Group is not exposed to any significant foreign exchange risk or price risk. The Group is exposed to significant interest rate risk that directly effects float income. In order to manage the downside risk of declining interest rate risk, management’s strategy is to continue to reduce reliance on float income and focus on its transactional, licensing and onboarding revenue streams.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

The Group is not exposed to any significant credit risk.

Liquidity risk
Vigilant liquidity risk management requires the Group 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 Group 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.

Note 18. Financial instruments (continued)

Remaining contractual maturities

The following tables detail the Group'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 - 2021	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 payables	111,876	-	-	-	111,876
Other payables	189,315	-	-	-	189,315
Total non-derivatives	301,191	-	-	-	301,191

Consolidated - 2020	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 payables	249,183	-	-	-	249,183
Other payables	177,904	-	-	-	177,904
Interest-bearing - fixed rate					
Shareholder loans	750,000	-	-	-	750,000
Shareholder loans interest	2,466	-	-	-	2,466
Total non-derivatives	1,179,553	-	-	-	1,179,553

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

Note 19. Fair value measurement

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Note 20. Key management personnel disclosures

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

	Consolidated 2021 $	Consolidated 2020 $
Short-term employee benefits	519,206	642,922
Post-employment benefits	53,602	49,312
Long-term benefits	87,208	12,937
Share-based payments	-	41,065
	660,016	746,236

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton Audit Pty Ltd, the auditor of the Company:

	Consolidated 2021 $	Consolidated 2020 $
Audit services - Grant Thornton Audit Pty Ltd		
Audit or review of the financial statements	117,403	98,350
Other services - Grant Thornton Audit Pty Ltd		
Non-audit services	-	5,000
	117,403	103,350

Note 22. Contingent liabilities

The Group had no material contingent liabilities at 30 June 2021 or 30 June 2020.

Note 23. Related party transactions

Parent entity
Integrated Payment Technologies Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 26.

Key management personnel
Disclosures relating to key management personnel are set out in note 20 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.

Note 23. Related party transactions (continued)

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	Consolidated	
	2021 $	2020 $
Current borrowings:		
Shareholder loans	-	750,000

Terms and conditions
Shareholder loans mature after 12 months from the date of issue (30 October 2019). Interest accrues at the rate of 8% per annum. These loans were paid on 15 July 2020 after completion of the entitlement offer on issue of new ordinary shares of the Company.

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

Note 24. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent	
	2021 $	2020 $
Loss after income tax	(2,466,545)	(3,666,012)
Total comprehensive income	(2,466,545)	(3,666,012)

Statement of financial position

	Parent	
	2021 $	2020 $
Total current assets	4,346,252	1,010,512
Total assets	20,997,209	3,343,788
Total current liabilities	262,608	1,144,704
Total liabilities	272,525	1,212,368
Equity		
Issued capital	44,032,967	22,690,408
Share option reserve	274,791	74,775
Accumulated losses	(23,583,074)	(20,633,763)
Total equity	20,724,684	2,131,420

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 2021 and 30 June 2020.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2021 and 30 June 2020.

Note 24. Parent entity information (continued)

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2021 and 30 June 2020.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries 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 25. Business combinations

Asset acquisition
On 15 October 2020, the Company issued 33,000,000 shares to complete the acquisition of 100% of the shares of TipsGo Pty Ltd ('TipsGo'). In addition to the issue of shares to acquire TipsGo, a sum of $30,000 was paid for work undertaken in supplying , loading and testing the TipsGo platform on InPayTech's infrastructure. The acquisition was mainly to provide the Group full access to the intellectual property rights to TipsGo's open banking and marketplace platform. TipsGo was subsequently wound up in March 2021. In accordance with the Group's accounting policy for business combinations, the 'concentration test' was applied and satisfied, as substantially all of the fair value of gross assets acquired is concentrated in intellectual property. Therefore, the transaction has been accounted for as an asset acquisition.

Details of the acquisition are as follows:

	Fair value $
Cash and cash equivalents	255
Other receivables	623
Intellectual property	1,055,234
Other payables	(112)
Net assets acquired	1,056,000
Goodwill	-
Acquisition-date fair value of the total consideration transferred	1,056,000
Representing:	
Integrated Payment Technologies Limited shares issued to vendor	1,056,000
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	1,056,000
Less: cash and cash equivalents	(255)
Less: shares issued by Company as part of consideration	(1,056,000)
Net cash received	(255)

Acquisition of subsidiary
On 21 January 2021, the shareholders approved the issuance of 573,260,447 new shares of the Company to acquire 100% of the issued capital of Comply Path Holdings Pty Ltd ('Comply Path'). The acquisition was undertaken as a 100% scrip for scrip acquisition. The issue of the shares has resulted in the below:

- Comply Path is a wholly owned subsidiary of the Company; and
- Comply Path shareholders own 50% of the combined group and the Company's shareholders own the remaining 50%.

On 28 January 2021, the merger agreement was completed and 573,260,447 new shares of the Company were issued.

InPayTech
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Note 25. Business combinations (continued)

The acquired business contributed revenues of $720,587 and loss after tax of $209,957 to the Group for the period from 29 January 2021 to 30 June 2021. The values identified in relation to the acquisition are final as at 30 June 2021.

Details of the acquisition are as follows:

	Fair value $
Cash and cash equivalents	337,663
Trade receivables	556,895
Other receivables	14,364
Prepayments	9,697
Plant and equipment	3,305
Software	8,984,000
Brand name	68,000
Client relationships	959,000
Trade payables	(120,482)
Other payables	(214,688)
Employee benefits	(285,665)
Net assets acquired	10,312,089
Goodwill	5,165,943
Acquisition-date fair value of the total consideration transferred	15,478,032
Representing:	
Integrated Payment Technologies Limited shares issued to vendor	15,478,032
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	15,478,032
Less: cash and cash equivalents	337,663
Less: shares issued by Company as part of consideration	(15,478,032)
Net cash used	337,663

Note 26. 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 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2021 %	Ownership interest 2020 %
ClickSuper Pty Ltd	Australia	100%	100%
Jagwood Pty Ltd	Australia	100%	100%
Payment Adviser Pty Ltd	Australia	100%	100%
TipsGo Pty Ltd*	Australia	100%	-
Comply Path Holdings Pty Ltd	Australia	100%	-

* the company was wound up in March 2021.

Note 27. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2021 $	Consolidated 2020 $
Loss after income tax benefit for the year	(3,788,972)	(3,666,012)
Adjustments for:		
Depreciation and amortisation	1,860,088	1,848,327
Impairment of receivables	-	49,880
Share-based payments	188,148	74,775
Non-cash transactions	164,939	12,140
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	209,550	(31,708)
Decrease in deferred tax assets	-	281,798
Decrease in prepayments	9,697	-
Increase/(decrease) in trade and other payables	(461,391)	237,510
Decrease in deferred R&D government grant - capitalisation	(67,663)	(67,664)
Decrease in deferred tax liabilities	-	(281,798)
Increase in employee benefits	18,481	68,691
Decrease in other provisions	(179,125)	-
Net cash used in operating activities	(2,046,248)	(1,474,061)

Note 28. Changes in liabilities arising from financing activities

Consolidated	Shareholder loans $
Balance at 1 July 2019	-
Net cash from financing activities	750,000
Balance at 30 June 2020	750,000
Net cash used in financing activities	(750,000)
Balance at 30 June 2021	-

Note 29. Earnings per share

	Consolidated 2021 $	Consolidated 2020 $
Loss after income tax attributable to the owners of Integrated Payment Technologies Limited	(3,788,972)	(3,666,012)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	826,898,729	310,733,740
Weighted average number of ordinary shares used in calculating diluted earnings per share	826,898,729	310,733,740

Note 29. Earnings per share (continued)

	Cents	Cents
Basic earnings per share	(0.458)	(1.180)
Diluted earnings per share	(0.458)	(1.180)

14,700,000 (2020: 20,000,000) share options deemed to be issued for no consideration in respect of share based payments have been excluded from the above calculation for diluted earnings per share at 30 June 2021 as their inclusion would be anti-dilutive due to the loss for the year.

Note 30. Share-based payments

Broker Options

On 15 October 2020, the Company granted 1,850,000 unquoted options to the lead manager broker in relation to fees for the Company's entitlement offer. The unquoted options has a deemed issue price of 0.001 cents per option an exercise price of 3.5 cents and an expiry of date of 15 October 2022.

On 16 March 2021, the Company granted 2,850,000 unquoted options to the lead manager in relation to fees for the Company's share placement. The unquoted options has a deemed issue price of 0.001 cents per option an exercise price of 7 cents and an expiry of date of 16 March 2023.

The share-based payments in relation to the broker options recognised as transaction cost of issued capital is $91,794 as of 30 June 2021 (2020: $nil).

For the broker options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
15/10/2020	15/10/2022	$0.0320	$0.0350	143.00%	-	0.25%	$0.018
16/03/2021	16/03/2023	$0.0380	$0.0700	143.00%	-	0.25%	$0.021

Employee Share Option Plan

Option Plan Rules
The Board approved the Integrated Payment Technologies Limited Employee Share Option Plan ('ESOP' or 'Plan') on 21 January 2021. The Plan is governed by the Plan rules ('Plan Rules'), a summary of which is set out below.

Persons eligible to participate in the Plan are full-time or part-time employees (including executive directors), non-executive directors and contractors and casual employees of the Group who satisfy various conditions set out in the Plan ('Eligible Persons').

The Plan was established to enable the Group to retain and attract skilled and experienced employees, contractors and directors and provide them with the motivation to make the Group more successful. The Plan is designed to support interdependence between the Company and Eligible Persons for their long-term mutual benefit.

Under the Plan, unless otherwise determined by the Board, no payment is required for the grant of options under the Plan. An offer by the Board shall specify the terms and conditions of the grant at its discretion. An Eligible Person may renounce an offer under the Plan in favour of a permitted nominee. Options granted under the Plan may not otherwise be transferred or encumbered by a participant, unless the Board determines otherwise.

Options do not carry any voting or dividend rights. Shares issued or transferred to participants on exercise of an option carry the same rights and entitlements as other issued shares, including dividend and voting rights.

Note 30. Share-based payments (continued)

An option may be exercised, whether or not any or all applicable exercise conditions have been met, on the occurrence of a predominant control event, being, in general terms, where a person becomes owner of at least 90% of the issued ordinary share capital of the Company following an offer by the person for the whole of the issued share capital of the Company.

At its discretion, the Company will apply to ASX for official quotation of shares issued upon exercise of options granted under the Plan as long as the shares are quoted on the Official List of ASX at that time.

The Company may financially assist a person to pay any exercise price for an option, subject to compliance with the provisions of the Corporations Act 2001 and the ASX Listing Rules relating to financial assistance.

If a participant ceases to be a director, an employee or a contractor of any member of the Group due to his or her resignation, dismissal for cause or poor performance or in any other circumstances determined by the Board, vested options held by the participant will automatically lapse on the date of cessation, unless the Board determines otherwise. All unvested options will lapse at the date of cessation.

If a Participant ceases to be a director, an employee or a contractor of any member of the Group for any other reason or in any other circumstances determined by the Board, vested options may be exercised by that participant in the 6 month period following the date of cessation after which those vested options will immediately lapse. All unvested options will lapse at the date of cessation.

If, in the opinion of the Board, a participant has acted fraudulently or dishonestly, the Board may determine that any option granted to that participant should lapse, and the option will lapse accordingly.

If the Company or any member of the Group has an obligation in relation to a tax liability associated with the grant or vesting of any option ('Tax Liability'), then the Company may sell a sufficient number of shares, post vesting or exercise of the option, to cover the Tax Liability. A participant may enter into alternative arrangements, if acceptable to the Board, to settle any Tax Liability.

In the event of any reconstruction of the share capital of the Company, pro rata issue, or bonus issue of shares, the number of options to which each participant is entitled and/or the exercise price of those options (as relevant) will be adjusted accordingly pursuant to the Plan.

The Board may terminate or suspend the operation of the Plan at any time. In passing a resolution to terminate or suspend the operation of the Plan or to supplement or amend these rules, the Board must consider and endeavour to ensure that there is fair and equitable treatment of all participants. On termination of the Plan, no compensation under any contract of employment, consultancy or directorship between an Eligible Person and a member of the Group will arise as a result.

The share-based expense in relation to the Plan is $188,148 for 30 June 2021 (2020: $74,775).

Set out below are summaries of options granted under the Plan:

2021

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
31/07/2019	31/07/2022	$0.0335	15,000,000	-	-	(15,000,000)	-
03/11/2020	03/11/2023	$0.0350	-	15,000,000	-	(5,000,000)	10,000,000
			15,000,000	15,000,000	-	(20,000,000)	10,000,000

Note 30. Share-based payments (continued)

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
14/12/2016	14/12/2020	$0.1958	5,000,000	-	-	(5,000,000)	-
31/07/2019	31/07/2022	$0.0335	-	15,000,000	-	-	15,000,000
			5,000,000	15,000,000	-	(5,000,000)	15,000,000

The weighted average exercise price during the financial year was $0.04 (2020: $0.07).

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.09 years (2020: 1.7 years).

For the options under the Plan granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
03/11/2020	03/11/2023	$0.0290	$0.0350	245.70%	-	0.25%	$0.028

Options granted under the Employee Share Option Plan Scheme

Grant date:	31 July 2019
Number of options:	15,000,000
Exercise price:	exercise price is 3.5 cents ($0.035) per option; with the holder given the following choice: (i)exercise the options in the traditional manner, in which case, pay the exercise price an receive 1 ordinary share for each option exercised; or (ii)elect a cashless exercise alternative, in which case, the Company will only issue the number of ordinary shares as are equal in value to the positive difference between the exercise price otherwise payable for the options and the market value of the shares at the time of exercise (determined as the volume weighted average market price of the Company's shares sold on the ASX on the 5 business days immediately prior to the exercise date).
Vesting date:	option vests 12 months from the date of the grant of the options if: (i) the market price of the ordinary share in the Company is at least $0.035; and (ii) the relevant employee remains in employment with the Company or its subsidiaries; and
Exercise period:	exercise period ends 3 years after the date of grant of the options.

These 15,000,000 options lapsed in July 2020 as the vesting conditions were not met.

Grant Date:	3 November 2020
Number of options:	15,000,000 options
Exercise Price:	exercise price is 3.5 cents ($0.035) per option; with the holder given the following choice: (i)exercise the options in the traditional manner, in which case, pay the exercise price an receive 1 ordinary share for each option exercised; or (ii)elect a cashless exercise alternative, in which case, the Company will only issue the number of ordinary shares as are equal in value to the positive difference between the exercise price otherwise payable for the options and the market value of the shares at the time of exercise (determined as the volume weighted average market price of the Company's shares sold on the ASX on the 5 business days immediately prior to the exercise date
Vesting Dates:	option vests 12 months from the date of the grant of the options if:. (i) the market price of the ordinary share in the Company is at least $0.035; and (ii) the relevant employee remains in employment with the Company or its subsidiaries; and
Exercise Period:	exercise period ends 3 years after the date of grant of the options.

Note 31. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially neutral for the Group up to 30 June 2021, with the exception of declining interest rates which has impacted float income, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation continues to develop and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2021 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

Emma Dobson
Non-Executive Chair

27 August 2021
Sydney

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Independent Auditor's Report

To the Members of Integrated Payment Technologies Limited

Report on the audit of the financial report

Opinion

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

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

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

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Capitalisation of software development costs – Note 12	
The Group has continued to capitalise development costs associated with the internally developed software. AASB 138 Intangible Assets sets out the specific requirements to be met in order to capitalise software development costs. Intangible assets should be amortised over their useful economic lives in accordance with AASB 138. Due to the judgement involved in determining whether costs meet the capitalisation criteria under AASB 138 and in relation to the estimate of the assets' useful lives, we have determined this to be a Key Audit Matter.	Our procedures included, amongst others: • assessing the Group's accounting policy for software development costs for adherence to AASB 138; • assessing the consistency of the capitalisation methodology applied by the Group in comparison to the prior reporting period; • agreeing a sample of capitalised expenditure to supporting documentation such as internal salary costs and external contractor invoices and assessing those amounts against the recognition criteria of AASB 138; • considering the reasonableness of useful lives applied to amortise intangible assets and recalculating the amortisation charge for the period; and • assessing the adequacy of disclosures included in the financial report.
Impairment testing of intangible assets – Note 12	
The Group has recognised intangible assets from a prior business combination and continues to capitalise software development costs. All assets must be assessed at each reporting date for any indication of impairment. Goodwill and intangibles not yet available for use must be tested annually for impairment regardless of whether any indication of impairment exists. The Group has utilised the fair value less cost of disposal method to estimate the recoverable amount of intangible assets. This method involved the preparation of a valuation model that incorporated the use of a discounted cash flow model. Due to the significant estimation involved in estimating the recoverable amount, and the use of unobservable inputs, we have determined this as a Key Audit Matter.	Our procedures included, amongst others: • obtaining management's assessment of impairment indicators under AASB 136 *Impairment of Assets* and reviewing for reasonableness; • assessing management's determination of the Group's Cash Generating Units (CGUs) based on our understanding of how management monitors the entity's operations and makes decisions about groups of assets that generate independent cash flows; • reviewing the impairment model for compliance with AASB 136; • verifying the mathematical accuracy of the underlying model calculations and assessing the appropriateness of the methodologies applied; • reviewing the key inputs of the model and corroborating key assumptions against supporting documentation; • considering the appropriateness of revenue growth assumptions in management's forecast of cash flows in the current operating environment; • engaging our internal valuation specialists to assess the appropriateness of the impairment model and associated discount rate;

- performing sensitivity analysis on the significant inputs and assumptions made by management in preparing the valuation; and
- assessing the adequacy of disclosures in the financial report.

Business combinations – Note 25	
On 28 January 2021, the Group purchased 100% share capital in Comply Path Holdings Pty Ltd (Comply Path) through a 100% scrip for scrip offer. The fair market value of the consideration was $15,478,032. During August 2020, the Group executed a deed to acquire 100% of the shares in TipsGo Pty Ltd to gain full intellectual property rights to the Company's platform. The above transactions require management to assess the treatment and scope of AASB 3 *Business Combinations*. The business combination is financially significant to the Group and requires a level of judgement in performing the Purchase Price Allocation ('PPA') calculations. The key areas of judgement include valuation of identified intangible assets, and management assumptions around future cash flows such as revenue growth, new contracts and discount rates. Due to the judgements and complexities involved around the accounting treatment under AASB 3, we have determined this to be a Key Audit Matter.	Our procedures included, amongst others: • reviewing the legal documents and the purchase price allocation report (for Comply Path) to obtain an understanding of the transactions; • assessing whether the acquisitions met the definition of a business in accordance with AASB 3; • assessing managements determination of the fair value of both the purchase consideration, and the fair value of the assets and liabilities acquired; • inspecting supporting documentation to support the identification of identifiable assets and liabilities acquired, other than intangible assets; • consulting with our internal valuations specialists to assess the fair value determination of identifiable intangible assets prepared by management's expert on the acquisition of Comply Path; and • assessing the adequacy of the related disclosures in the financial report.

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

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

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

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

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

Responsibilities of the Directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/auditors_responsibilites/ar1_2020.pdf. 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 7 to 13 of the Directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Integrated Payment Technologies, for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with 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.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

RJ Isbell

R J Isbell
Partner – Audit & Assurance

Sydney, 27 August 2021

The shareholder information set out below was applicable as at 17 August 2021.

Distribution of equitable securities

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

	Ordinary shares		Options over unissued ordinary shares	
	Number of holders	% of total shares issued	Number of holders*	% of total shares unissued
1 to 1,000	38	-	-	-
1,001 to 5,000	10	-	-	-
5,001 to 10,000	60	0.05	-	-
10,001 to 100,000	1,135	3.93	-	-
100,001 and over	619	96.02	4	100.00
	1,862	100.00	4	100.00
Holding less than a marketable parcel	445	-	-	-

* 1 holder (non ESOP) over 20%, Mrs Luye Li's options over 3,050,000 unissued ordinary shares.

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
GJB CONSULTING PTY LTD	257,967,201	21.09
UNLOCKED INVESTMENTS PTY LTD	161,229,501	13.18
DIGITAL NICHE INVESTMENTS PTY	96,737,700	7.91
STARMAY SUPERANNUATION PTY LTD	91,384,152	7.47
CLINTON CAPITAL PARTNERS PTY	57,326,045	4.69
STARMAY SUPERANNUATION PTY LTD	51,067,078	4.17
ANDREW BLAIR	30,000,000	2.45
HSBC CUSTODY NOMINEES	25,381,226	2.07
STARMAY SUPERANNUATION PTY LTD	21,277,374	1.74
PARMMS ENTERPRISES PTY LTD	16,666,667	1.36
STARMAY SUPERANNUATION PTY LTD	12,648,245	1.03
PT MORAN PTY LTD	10,350,000	0.85
STARTRADE PTY LTD	7,500,000	0.61
ILWELLA PTY LTD	7,300,000	0.60
ADELROSE PTY LTD	6,750,000	0.55
STARTRADE PTY LTD	5,208,465	0.43
J P MORGAN NOMINEES AUSTRALIA	5,142,854	0.42
10 BOLIVIANOS PTY LTD	4,900,000	0.40
NORVEST PROJECTS PTY LTD	4,750,000	0.39
TWD CO PTY LIMITED	4,085,200	0.33
	877,671,708	71.74

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Substantial holders

Set out below are the names of substantial holders in the Company and the number of equity securities in which each substantial holder and the substantial holder's associates have a relevant interest, as disclosed in substantial holding notices given to the Company:

	Ordinary shares Number held
Donald Sharp, The Elysum Company Pty Ltd and S&F Financial Services Pty Ltd	101,717,177
Colin Scully and Valebark Pty Ltd	176,376,849
Starmay Superannuation Pty Ltd	96,574,323
Trent Lund, Unlocked Investments Pty Ltd and Digital Niche Investments Pty Ltd*	606,260,447
Giuseppe Brasacchio and GJB Consulting Pty Ltd**	606,260,447
Integrated Payment Technologies Limited***	606,260,447

* Trent Lund, Unlocked Investments Pty Ltd and Digital Niche Investments Pty Ltd have voting power in the Company above 20% and thus are deemed to have the same relevant interests as the Company pursuant to section 608(3)(a) of the Corporations Act 2001. Unlocked Investments Pty Ltd (ATF the Unlocked Investments Unit Trust) is the registered holder of 161,229,501 ordinary shares in the Company. Digital Niche Investments Pty Ltd (ATF Digital Niche Investment Trust) is the registered holder of 96,737,700 ordinary shares in the Company.

** Giuseppe Brasacchio and GJB Consulting Pty Ltd have voting power in the Company above 20% and thus are deemed to have the same relevant interest as the Company pursuant to section 608(3)(a) of the Corporations Act 2001 (Cth). GJB Consulting Pty Ltd (ATF Giuseppe and Francy Brasacchio Family Trust) is the registered holder of 257,967,201 ordinary shares in the Company.

*** The Company is a substantial holder of itself. It has a relevant interest in 606,260,447 ordinary shares. The relevant interest has arisen as it is a party to a number of voluntary escrow agreements with some of its shareholders under which the relevant shareholders are prohibited from disposing of their shares for a prescribed period of time.

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 with voting rights.

The unquoted options do not have voting rights.

Securities subject to voluntary escrow agreements

The following ordinary shares are subject to voluntary escrow arrangements:

Class	Date of end of Escrow Period	Number of securities
Ordinary shares	15 October 2021	33,000,000
Ordinary shares	31 January 2022	286,630,222
Ordinary shares	30 January 2023	286,630,225
		606,260,447

General

There is no current on-market buy-back for the Company's securities.

There have been no issues of securities approved for the purposes of Item 7 of section 611 of the Corporations Act 2001 (Cth) which have not yet been completed.

No securities were purchased on-market during the reporting period under or for the purposes of an employee incentive scheme or to satisfy the entitlements of the holders of options or other rights to acquire securities granted under an employee incentive scheme.

Directors	Emma Dobson - Non-Executive Director and Chair Paul Collins - Non-Executive Director Trent Lund - Chief Executive Officer Randolf Clinton - Non-Executive Director
Company secretary	Jillian McGregor
Registered office	Level 24 66 Goulburn Street Sydney NSW 2000
Share register	Boardroom Pty Limited ABN: 14 003 209 836 Level 12, 225 George St Sydney NSW 2000 Tel: 1300 737 760 (within Australia) Tel: +61 2 9290 9600 (outside Australia)
Auditor	Grant Thornton Audit Pty Ltd Level 17 383 Kent Street Sydney NSW 2000
Solicitors	Marque Lawyers Level 4 343 George St Sydney NSW 2000
Stock exchange listing	Integrated Payment Technologies Limited shares are listed on the Australian Securities Exchange (ASX code: IP1)
Website	www.inpaytech.com.au
Corporate Governance Statement	The Corporate Governance Statement which is approved at the same time as the Annual Report can be found at: https://inpaytech.com.au/corporate-governance-statement/

InPayTech

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