



**INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2019**

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DIRECTORS' REPORT

Your directors present their report on Dough Limited (the "Company") and its controlled entities (the "Group") for the half year ended 31 December 2019.

Directors

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

Mr Stephen Bellotti

Mr Andrew Taylor

Mr Jeffrey Beaumont – resigned 6 September 2019

Mr Patrick Tuttle – appointed 6 September 2019

Principal Activities

The principal activity of the consolidated entity during the half year was to develop and get ready to launch an artificial intelligence (AI) first approach to reimagine banking, enabling our customers to better manage their money and achieve financial freedom through a smart mobile banking app.

There were no significant changes in the nature of the Group's principal activities during the period.

Operating Results

Revenue has decreased to \$598,025, down 21% from \$759,303 due to the following factors:

- Commonwealth government R&D grants for December 2019 was \$598,025 (December 2018: \$489,543)
- Revenue from sale of services December 2019 was nil (December 2018: \$269,760).

Gross expenditure has increased to \$1,276,057, up by 62% from \$789,809 in 31 December 2018.

The consolidated loss for the period increased to \$739,381 from a loss of \$30,506 in 31 December 2018.

The company's net assets as at 31 December 2019 was negative at \$516,257 (30 June 2019: net liabilities of \$245,488).

Dividends Paid or Recommended

No dividends were paid or declared during the period.

Matters Subsequent to the End of the Half Year Period

During March 2020, the Australian government imposed social distancing measures to reduce the contagion of COVID-19. The Group's employees are working from home during this time. Additionally, the US government is imposing lockdown measures to combat the same contagion. However, the timing, full extent of the impact and recovery from COVID-19 on our employees and business operations continues to evolve. As such, the Group is unable to estimate the effects on the Group's financial position, liquidity and operations in the 2020 and 2021 financial years.

Other than the above, there were no other events between the end of the financial year and the date of this report that, in the opinion of the Directors, affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group.

Director:

DocuSigned by:
Steve Bellotti
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Director:

DocuSigned by:
Andy Taylor
5303F719B2D1490...

Dated: 19 May 2020

Bentleys NSW Audit Pty Ltd

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Australia

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Dough Ltd and Controlled Entities

ABN: 94 609 270 475

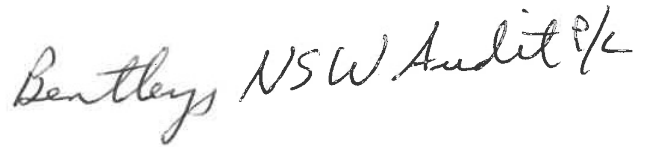
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Dough Ltd and its Controlled Entities

I declare that, to the best of my knowledge and belief, for the half year ended 31 December 2019, there have been:

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



KEVIN CRANFIELD
Director
Sydney



BENTLEYS NSW AUDIT PTY LTD
Chartered Accountants

Dated: 19 May 2020

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Note	Consolidated Group	
		31.12.2019	31.12.2018
		\$	\$
Revenue	3	-	269,760
Other Income	3	598,025	489,543
Research and development expenses		(364,011)	(558,651)
Business development expenses		(155,589)	(17,088)
Corporate and infrastructure expenses		(711,093)	(196,601)
Finance expenses		(45,364)	(10,209)
Depreciation and amortisation expenses		-	(7,260)
Profit (Loss) before income tax		(678,032)	(30,506)
Income tax expense		(61,349)	-
Profit (Loss) for the period		(739,381)	(30,506)
Other comprehensive income		-	-
Total comprehensive profit (loss) attributable to members of the parent entity		(739,381)	(30,506)
Profit (Loss) attributable to:			
- members of the parent entity		(739,381)	(30,506)
		(739,381)	(30,506)
Total Comprehensive profit (loss) attributable			
- members of the parent entity		(739,381)	(30,506)
		(739,381)	(30,506)
Earnings/(loss) per share			
Basic earnings/(loss) per share (cents per share)		(0.007)	(305.06)
Diluted earnings/(loss) per share (cents per share)		(0.007)	(305.06)

These financial statements should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	Consolidated Group	
		31.12.2019	30.06.2019
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents		369,846	649,105
Trade and other receivables		538,998	363,100
TOTAL CURRENT ASSETS		908,844	1,012,205
Non-Current Assets			
Property, plant and equipment		-	-
Intangible assets		-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		908,844	1,012,205
LIABILITIES			
Current Liabilities			
Trade and other payables	7	560,061	603,444
Employee benefits		18,662	6,890
Other liabilities	8	846,378	647,359
TOTAL CURRENT LIABILITIES		1,425,101	1,257,693
Non-current Liabilities			
Other liabilities		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		1,425,101	1,257,693
NET LIABILITIES		(516,257)	(245,488)
EQUITY			
Issued capital	9	2,922,934	2,456,101
Accumulated Losses		(3,463,183)	(2,723,802)
Effect of foreign currency translation		23,992	22,213
TOTAL EQUITY		(516,257)	(245,488)

These financial statements should be read in conjunction with the accompanying notes.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Issued Capital	Share-based Payments	Accumulated Losses	Forex Translation Reserve	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2018	100	-	(1,173,517)	-	(1,173,417)
Shares issued during the period	-	-	-	-	-
Total comprehensive profit (loss) for the period	-	-	(30,506)	-	(30,506)
Restating share capital issue:	-	-	-	-	-
Balance at 31 December 2018	100	-	(1,204,023)	-	(1,203,923)
Balance at 1 July 2019	1,986,213	469,888	(2,723,802)	22,213	(245,488)
Shares issued during the period	466,833	-	-	-	466,833
Total comprehensive profit (loss) for the period	-	-	(739,381)	1,779	(737,602)
Restating share capital issued	-	-	-	-	-
Balance at 31 December 2019	2,453,046	469,888	(3,463,183)	23,922	(516,257)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019**

	Consolidated Group	
	31.12.2019	31.12.2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	363,000	269,760
Receipts for R&D grants	-	488,554
Interest & other income received	354	989
Payments to suppliers and employees	(1,045,601)	(687,310)
Net cash provided (used)\by in operating activities	(682,247)	71,993
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	-	(7,260)
Net cash (used) in investing activities	-	(7,260)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loan	171,467	385,483
Repayment of loan	(10,288)	(385,483)
Proceeds from shares application funds	240,035	340,475
Net cash provided by financing activities	401,214	340,475
Net (decrease)/increase in cash held	(281,038)	405,208
Effect of foreign currency translation	1,779	-
Cash and cash equivalents at beginning of period	649,105	886
Cash and cash equivalents at end of period	369,846	406,094

These financial statements should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019**Note 1: Nature of Operation**

The principal activity of the consolidated entity during the half year was to develop and get ready to launch an artificial intelligence (AI) first approach to reimagine banking, enabling our customers to better manage their money and achieve financial freedom through a smart mobile banking app.

Note 2: Basis of Preparation

The consolidated general purpose financial statements for the half year reporting period ended 31 December 2019 have been prepared in accordance with requirements of the *Corporations Act 2001* and AASB 134: Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial reporting standard IAS34 Interim Financial Reporting. The group is a for profit entity for financial reporting purposes under Australian Accounting standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Dough Limited (the Company) and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial report of the Group for the year ended 30 June 2019, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

Significant Accounting Policies

The interim financial statements have been prepared in accordance with the accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2019 except for R&D tax rebates noted below. The financial statements of Dough Limited for the half year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors on 19 May 2020.

R&D Tax Rebate

Government grants are recognised at fair value when the entity is entitled to receive the grant. R & D rebates are recognised at fair value when the cash is received. Rebates relating to expense items are recognised as income over the periods necessary to match the rebate to the costs they are compensating. Rebates relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

Going Concern

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

For the half year ended 31 December 2019, the Group has recorded a loss after tax from continuing operations of \$739,381; it has a cash balance of \$369,846, net liabilities of \$516,257 and had net cash outflows from continuing operations of \$682,247. In addition, the Group may be impacted by the subsequent event (COVID-19) as noted in Note 11. These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that sufficient funds will be available to meet the Group's immediate working capital requirements. However, the Directors recognise that the ability of the Group to continue as a going concern is dependent on the Group being able to secure additional funding through either the issue of new equity, issue convertible debt, or a combination of these and other funding instruments as required to fund ongoing planned activities and for working capital. The Directors are currently reviewing a range of financing options and reviewed the Group's cashflow requirements for the 12 months ended 31 May 2021 and are of the opinion that sufficient

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 DECEMBER 2019

funds will be available in order to meet its ongoing obligations.

Should the Group not achieve the matters set out above, there is uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability or classification of the recorded assets amounts nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Note 3: Loss for the Period

	Consolidated Group	
	31.12.2019	31.12.2018
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
Collaboration services	-	269,760
R&D tax rebate	597,671	487,871
Interest and other income received	354	1,672
	<u>598,025</u>	<u>759,303</u>

Note 4: Dividends

There were no dividends paid or declared during the period.

Note 5: Operating Segments*Business and geographical segments*

The Group identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group's operation has one main risk profile and performance assessment criteria. Operating segments are therefore determined on the same basis. For the last two reporting period the Group has been focused on the Australian market and has only one operating division, being the development of a smart mobile app for banking. Currently, the Group is focused in US market, with a plan to expand in Australian market in future.

NOTES TO THE FINANCIAL STATEMENTS FOR THE Half YEAR ENDED 31 DECEMBER 2019**Note 6: Losses Per Share**

Both the basic and diluted losses per share have been calculated using the losses attributable to shareholders of the Parent Company (Dough Limited) as the numerator, i.e. no adjustments to losses were necessary during the six (6) month period to 31 December 2019 and 2018.

The weighted average number of shares for the purposes of the calculation of diluted losses per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic losses per share as follows:

	6 months to 31.12.2019	6 months to 31.12.2018
Loss after income tax	739,381	30,506
Weighted average number of shares used in basic earnings per share (EPS)	104,156,360	100
Weighted average number of shares used in diluted earnings per share	104,156,360	100
Basic EPS	(0.007)	(305.06)
Diluted EPS	(0.007)	(305.06)

Note 7: Trade and other payables

	Consolidated Group	
	31.12.2019	30.06.2019
Trade and other payables	560,061	376,646
Application monies received	-	226,798
	560,061	603,444

Note 8: Other Liabilities

	Consolidated Group	
	31.12.2019	30.06.2019
Unearned income	330,000	330,000
Loan – Radium Capital	516,378	307,071
Loan – Quick Fee	-	10,288
	846,378	647,359

Note 9: Issued Capital

	Consolidated Group	
	31.12.2019	30.06.2019
106,939,012 fully paid ordinary shares (30.06.2019: 103,599,830 fully paid ordinary shares)	2,922,934	2,456,101
	2,922,934	2,456,101

Reconciliation of issued shares follow:

	No. of Ordinary Shares	No. of Performance Shares	Amount \$
Balance at 30 June 2019	103,599,830	59,877,819	\$2,456,101
Shares issued during the half year	3,339,182		466,833
Balance at 31 December 2019	106,930,012	59,877,819	\$2,922,934

NOTES TO THE FINANCIAL STATEMENTS FOR THE Half YEAR ENDED 31 DECEMBER 2019**Note 10: Contingent liabilities**

There has been no change in contingent liabilities since the last annual reporting date.

Note 11: Events subsequent to reporting date

During March 2020, the Australian government imposed social distancing measures to reduce the contagion of COVID-19. The Group's employees are working from home during this time. Additionally, the US government is imposing lockdown measures to combat the same contagion. However, the timing, full extent of the impact and recovery from COVID-19 on our employees and business operations continues to evolve as at the date of this report. As such, the Group is unable to estimate the effects on the Group's financial position, liquidity and operations in the 2020 and 2021 financial years.

Other than the above, there were no other events between the end of the financial year and the date of this report that, in the opinion of the Directors, affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group.

DIRECTORS' DECLARATION

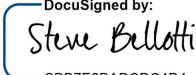
The directors of the company declare that:

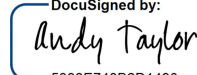
1. the financial statements and notes as set out on pages [5] to [12] are in accordance with the Corporations Act 2001 and:
 - (a) comply with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the financial position as at 31 December 2019 and of the performance for the half year ended on that date.
2. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to Section 303 (5) a of the Corporations Act 2001.

Director

Dated: 19 May 2020

DocuSigned by:

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Steve Bellotti Managing Director

DocuSigned by:

 5393E748B2D1490...
Andrew Taylor

Douough Ltd and Controlled Entities
ABN: 94 609 270 475**Independent Auditor's Review Report to the Members of Douough Ltd and its Controlled Entities****Report on the half-year Financial Report**

We have reviewed the accompanying half year financial report of Douough Limited ("the Company") and its Controlled Entities ("the Group"), which comprises the consolidated statement of financial position as at 31 December 2019, 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 half year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the Group, comprising both the Company and the entities it controlled during that half year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Dough Limited and Controlled Entities
ABN: 95 607 244 600

Independent Auditor's Review Report to the Members of Dough Limited and its Controlled Entities

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Dough Ltd is not in accordance with the *Corporations Act 2001* including:

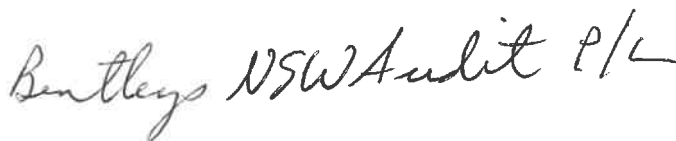
- a. Giving a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Regarding Going Concern

We draw attention to Note 2 of the financial report, which describes that the Group made a loss for the financial half-year ended 31 December 2019 of \$739,381. The Group has also reported a net operating cash outflow of \$682,247. As stated in Note 1, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.



Kevin Cranfield
Director
Sydney



BENTLEYS NSW AUDIT PTY LTD
Chartered Accountants

Dated:

19 May 2020



Douugh Limited
Financial Report
Year ended 30 June 2019

ABN 94 609 270 475

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DIRECTORS' REPORT

Your directors present their report on Dough Limited and its controlled entities ("the Group") for the financial year ended 30 June 2019.

DIRECTORS

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

Mr Stephen Bellotti

Mr Andrew Taylor

Mr Jeffrey Beaumont – resigned 6 September 2019

Mr Patrick Tuttle – appointed 6 September 2019

Directors have been in office for the entire financial year and to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial year is to develop and get ready to launch an artificial intelligence (AI) first approach to reimagine banking, enabling our customers to better manage their money and achieve financial freedom through a smart mobile banking app.

There were no significant changes in the nature of the Group's principal activities during the financial year.

REVIEW OF OPERATIONS

The 2019 Financial Year has seen major advancements for Dough, both with the accelerated development of our smart mobile banking app and our search for banking partners to ready the product for launch in calendar year 2019. Dough is continuing to make progress on its strategic partnerships that will enable a roll out of our product across multiple countries, including the USA and Australia.

The group's activities were funded throughout 2019 via research and development grants and a collaboration with one of Australia's premier banks that could lead to future partnerships.

In conclusion; 2019 has been a very successful year for the group laying the foundations for our commercial success. The Dough Board and Management look forward to delivering commercial outcomes for our shareholders and our breakthrough product launch later in the year.

FINANCIAL SUMMARY

The consolidated loss for the period increased to \$1,550,285 from a loss of \$685,529 in 2018.

The net assets of the consolidated entity were in deficit for both years, decreasing from \$1,173,417 to \$245,488. The reduction in the deficit is a result of the issue of ordinary shares during the period amounting to \$2,456,001. Further share application monies received during the year amounted to an additional \$226,798 with the shares yet to be formally issued. Once issued, the net deficit of the Group would have been \$18,690. The group's cash reserves increased from \$886 to \$649,105.

Total revenue decreased to \$729,609 from \$947,667 in 2018. Within this the research and development grant total income decreased to \$486,778 in 2019 from \$698,772 in 2018.

Operating expenditure has increased by \$646,698 to \$2,279,894 from \$1,633,196 in 2018. This increase is mainly due to increased development costs of the product.

The above conditions may give rise to an uncertainty which may cast doubt over the Groups ability to continue as a going concern.

Cash flow forecasts based on proposed capital raising and future business activity indicate that the group will be able to pay its creditors as and when due.

Should the Group be unable to complete all or part of the proposed capital raising, it may not be able to continue as a going concern. If this is the case the Group may need to realise its assets and discharge its liabilities other than in the normal course of business potentially resulting in a loss of capital to shareholders.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than the developments reported elsewhere in this report, there were no significant changes in the state of affairs during the year.

DIVIDENDS PAID OR RECOMMENDED

No dividends were declared in 2019 or 2018.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

During March 2020, the Australian government imposed social distancing measures to reduce the contagion of COVID-19. The Group's employees are working from home during this time. Additionally, the US government is imposing lockdown measures to combat the same contagion. However, the timing, full extent of the impact and recovery from COVID-19 on our employees and business operations continues to evolve. As such, the Group is unable to estimate the effects on the Group's financial position, liquidity and operations in the 2020 and 2021 financial years.

Other than the above, there were no other events between the end of the financial year and the date of this report that, in the opinion of the Directors, affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Dough will continue to develop its smart mobile banking app for commercialisation, focusing on the USA market first and will thereafter focus on the Australian and other markets.

ENVIRONMENTAL AND SAFETY ISSUES

There were no reportable safety or environmental incidents during the course of the financial year.

MEETINGS OF DIRECTORS

During the financial year, 7 meetings of directors were held. Attendances by each director during the year were:

	DIRECTORS' MEETINGS	
	Number eligible to attend	Number Attended
<i>Steve Bellotti</i>	7	7
<i>Andrew Taylor</i>	7	7
<i>Jeff Beaumont</i>	6	4
<i>Patrick Tuttle</i>	1	1

INDEMNITIES GIVEN TO AND INSURANCE PREMIUMS PAID FOR AUDITORS AND OFFICERS

The Group has entered into Deeds of Indemnity, Insurance and Access with each of the directors and the Company Secretary. Each deed provides officers with the following:

- ✧ A right to access certain Board papers of the Group during the period of their tenure and for a period of seven years after that tenure ends;
- ✧ Subject to the Corporations Act 2001, an indemnity in respect of liability to persons other than the Group and its related bodies corporate that they may incur while acting in their capacity as an officer of the Group or a related body corporate, except where that liability involves a lack of good faith, and for defending certain legal proceedings; and the requirement that the Group maintains appropriate directors' and officers' insurance for the officer.
- ✧ No liability has arisen under these indemnities as at the date of this report.

DIRECTORS' REPORT cont.

- ✦ The Company has paid no premiums to insure each of the directors, secretary and executives against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a director or officer of the company, other than conduct involved in a wilful breach of duty in relation to the company.
- ✦ The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

OPTIONS

At the date of this report, Dough is in the process of establishing an Employee Share Option Plan for the senior management of the group.

DIVERSITY POLICY

Dough has established a Diversity Policy that outlines the Group's commitment to diversity and the active steps the Group will take in implementing the policy, commensurate with a Group of its size and the industry with which it operates. A copy of the Diversity Policy is contained in Schedule 7 of the Group's Corporate Governance Statement.

Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. Due to the Groups's current size and level of activity there has been limited opportunity with which to measure the Group's commitment to its diversity policy during the 2019 financial year. The board discusses its diversity policy at board meeting's were potential changes to the work force is discussed.

It is essential that the Group employs the appropriate person for each job and that each person strives for a high level of performance.

PROCEEDINGS ON BEHALF OF COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party of taking responsibility on behalf of that company for all or any part of those proceedings. The company is supporting Andy Taylor in a matter that has been brought against him relating to a previous business venture.

NON-AUDIT SERVICES

The Board of directors is satisfied that no non-audit services were performed during the year and therefore is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

There were no fees for non-audit services payable to the external auditors during the year ended 30 June 2019 and 2018.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required by s307C of the Corporation Act 2001 for the year ended 30 June 2019 has been received and can be found on page 6 and forms part of the Directors' Report.

This Directors' Report is signed in accordance with a resolution of the Board of Directors.

DocuSigned by:

Steve Bellotti

CBB7E2BADCD4D4...

Steve Bellotti

Chairman

Dated: 27 April 2020

DocuSigned by:

Andy Taylor

5393E748B2D1490...

Andy Taylor

CEO and Managing Director

Dated: 27 April 2020

Dough Ltd and Controlled Entities

ABN: 94 609 270 475

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Dough Ltd and its Controlled Entities

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019, there have been:

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



ROBERT EVETT
Director
Sydney

Dated:

April 28, 2020.



BENTLEYS NSW AUDIT PTY LTD
Chartered Accountants

PROFIT OR LOSS AND COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated Entity	
		2019	2018
		\$	\$
Revenue	2	241,329	246,300
Other income	2	488,280	701,367
Research and development expenses		(1,071,622)	(1,447,266)
Business development expenses		(48,289)	(73,975)
Corporate and infrastructure expenses		(1,118,421)	(103,455)
Depreciation and amortisation expense		(13,355)	(6,930)
Interest expense		(28,207)	(1,570)
Loss before income tax		(1,550,285)	(685,529)
Income tax expense	3	-	-
Loss for the period		(1,550,285)	(685,529)
Other comprehensive income			-
Total comprehensive income		(1,550,285)	(685,529)
Loss attributable to:			
- Members of the parent entity		(1,550,285)	(685,529)
- Non-controlling interest		-	-
		(1,550,285)	(685,529)
Total Comprehensive Income attributable to:			
- Members of the parent entity		(1,550,285)	(685,529)
- Non-controlling interest		-	-
		(1,550,285)	(685,529)

The financial statements should be read in conjunction with the following notes.

FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	Note	Consolidated Entity	
		2019 \$	2018 \$
Current Assets			
Cash and cash equivalents	5	649,105	886
Trade and other receivables	6	363,100	14,242
TOTAL CURRENT ASSETS		1,012,205	15,128
Non-Current Assets			
Plant and equipment	7	-	-
Intangible assets	8	-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		1,012,205	15,128
Current Liabilities			
Trade and other payables	9	603,444	1,188,545
Employee benefits	10	6,890	-
Other liabilities	11	647,359	-
TOTAL CURRENT LIABILITIES		1,257,693	1,188,545
Non-Current Liabilities			
Other liabilities		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		1,257,693	1,188,545
NET ASSETS		(245,488)	(1,173,417)
Equity			
Issued capital	12	2,456,101	100
Accumulated profits (losses)		(2,723,802)	(1,173,517)
Foreign exchange translation reserve		22,213	-
TOTAL EQUITY		(245,488)	(1,173,417)

The financial statements should be read in conjunction with the following notes.

CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 30 JUNE 2019

	Issued Capital	Share-Based Payments	Accumulated Losses	Forex Translation Reserve	Total
	\$	\$	\$	\$	\$
Consolidated Entity					
Balance at 1 July 2017	100,000	-	(212,453)	-	(112,453)
Total comprehensive income	-	-	(275,535)	-	(275,535)
Balance at 30 June 2018	100,000	-	(487,988)	-	(387,988)
Balance at 1 July 2018	100,000	-	(487,988)	-	(387,988)
Total comprehensive income	-	-	(685,529)	-	(685,529)
Corporate restructuring on roll up to Dough Holdings Limited	(99,900)	-	-	-	(99,900)
	100	-	(1,173,517)	-	(1,173,417)
Balance 1 July 2018	100	-	(1,173,517)	-	(1,173,417)
Shares Issued During the Year	1,986,113	469,888	-	-	2,456,001
Total Comprehensive Income	-	-	(1,550,285)	22,213	(1,528,072)
Balance at 30 June 2019	1,986,213	469,888	(2,723,802)	22,213	(245,488)

CASHFLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2019

	Note	Consolidated Entity	
		2019	2018
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		244,718	13,370
Interest and other income received		1,502	2,595
Receipts for R&D grants		486,778	698,772
Payments to suppliers and employees		(1,588,067)	(1,612,258)
Net cash used in operating activities	17	(855,069)	(897,521)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(13,355)	(5,641)
Net cash used in investing activities		(13,355)	(5,641)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of share application funds received		1,193,911	460,000
Proceeds from Loan		697,113	-
Repayments of Loan		(396,594)	
Net cash provided by financing activities		1,494,430	460,000
Net increase (decrease) in cash held		626,006	(443,162)
Cash at beginning of financial year		886	444,048
Effect of foreign currency translation		22,213	-
Cash at end of financial year	5	649,105	886

The financial statement should be read in conjunction with the following notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Dough Limited (*formerly Dough Holdings Limited*) as a consolidated entity ("Group"). Dough Limited is an unlisted public company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Dough Limited have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 27 April 2020 by the directors of the company.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report.

Basis of Preparation

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). The Group is a for-profit entity for the purpose of preparing financial statements.

The accounting policies set out below have been consistently applied to all years presented.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) **Going Concern**

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

For the year ended 30 June 2019, the Group has recorded a loss after tax from continuing operations of \$1,550,285; it has a cash balance of \$649,105, net current liabilities of \$245,488 and had net cash outflows from continuing operations of \$855,069. In addition the Group may be impacted by the subsequent event (COVID-19) as noted in note 23. These conditions indicate a material uncertainty that may cast a significant doubt about the entity's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe that sufficient funds will be available to meet the Group's immediate working capital requirements. However, the Directors recognise that the ability of the Group to continue as a going concern is dependent on the Group being able to secure additional funding through either the issue of new equity, issue convertible debt, or a combination of these and other funding instruments as required to fund ongoing planned activities and for working capital. The Directors are currently reviewing a range of financing options and reviewed the Group's cashflow requirements for the 12 months ended 30 April 2020 and are of the opinion that sufficient funds will be available in order to meet its ongoing obligations.

Should the Group not achieve the matters set out above, there is uncertainty whether the Group would continue as a going concern and therefore whether it would realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include adjustments relating to the recoverability or classification of the recorded assets amounts nor to the amounts or classification of liabilities that might be necessary should the Group not be able to continue as a going concern.

The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**(b) Principles of Consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Dough Limited at the end of the reporting period. A controlled entity is any entity Dough Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year they were controlled. A list of controlled entities is contained in Note 18 to the financial statements. All controlled entities have a June financial year-end.

In preparing the consolidated financial statements all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries are consistent with those adopted by the parent entity.

Restructure accounting (Prior Year)

On 3 November 2017, Dough Limited wholly acquired Dough Labs Pty Ltd (*formerly Dough Pty Ltd*) with the view of re-organising the business ahead of an intended listing on the ASX.

Under the accounting standard applicable to business acquisitions, AASB 3: *Business Combinations*, the acquisition does not meet the definition of a business combination as Dough Limited did not meet the definition of a business at the date of acquisition.

The acquisition of Dough Labs Pty Limited by Dough Limited is deemed to be a restructure, and the financial statements are a continuation of the Dough Labs Pty Ltd company. In relation to the Consolidated Statement of Profit or Loss and Other Comprehensive Income, any expenses incurred by Dough Limited, prior to the acquisition of Dough Labs Pty Ltd, have been treated as an expense of the Group incurred as part of the listing process.

The impact of the above on each of the primary statements is as follows:

Consolidated Statement of Financial Position

The 30 June 2019 Consolidated Statement of Financial Position represents the financial position of the consolidated group as at that date. The 30 June 2018 Consolidated Statement of Financial Position represents the financial position of Dough Labs Pty Limited and Dough Limited as at that date.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

The 30 June 2019 Consolidated Statement of Profit or Loss and Other Comprehensive Income represents twelve months of activities of the consolidated group. The 30 June 2018 Statement of Profit or Loss and Other Comprehensive Income represents twelve months of activities of Dough Labs Pty Limited and for Dough Limited from its date of incorporation (27 July 2017) to 30 June 2018.

Consolidated Statement of Changes in Equity

The 30 June 2019 Consolidated Statement of Changes in Equity comprises changes in equity for the year ended 30 June 2019 of Dough Limited. The 30 June 2018 Consolidated Statement of Changes in Equity comprises changes in equity for the year ended 30 June 2018 of Dough Labs Pty Limited and Dough Limited from its date of incorporation (27 July 2017) to 30 June 2018.

Consolidated Statement of Cash Flows

The 30 June 2019 Consolidated Statement of Cash Flows represents the cash flows for the year ended 30 June 2019 of the consolidated group. The 30 June 2018 Consolidated Statement of Cash Flows represents the cash flows for the year ended 30 June 2018 of Dough Labs Pty Limited and the cash flows of Dough Limited from its date of incorporation (27 July 2017) to 30 June 2018.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**(c) Income Tax**

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

Current income tax expense charged to the profit and loss is the tax payable on taxable income calculated using applicable tax rates enacted, or substantially enacted, as at reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax consolidation

Dough Limited and its wholly-owned Australian subsidiaries are yet to form an income tax consolidated group under tax consolidation legislation. Dough Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(d) Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture and Fittings	10%
Plant and equipment	20 - 100%
Computer hardware and software	33.33 -100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) Impairment of assets

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

(f) Intangibles**Intangible Assets – research and development***Intangible assets acquired separately*

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The Group has assessed that the costs incurred to date is to be treated as research costs and has been expensed in the period incurred. Therefore, no amount has been recognised for internally-generated intangible assets. When the above criteria is achieved the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The following useful lives are used in the calculation of amortisation:

- Capitalised development expenditure 2.5 years
- Patents & Rights 4 - 10 years

Due to the uncertainty of generating future revenue from intangible assets associated with development activities, the net amortised balance of such expenditure would be fully impaired at the balance date.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**(g) Foreign Currency Transactions and Balances****Functional and presentation currency**

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent and controlled entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

(h) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(i) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(k) Revenue and Other Income**Revenue recognition**

The Group has applied AASB 15: Revenue from Contracts with Customers using the cumulative effective method. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue. The details of accounting policies under AASB 118 are disclosed separately since they are different from those under AASB 15, and the impact of changes is disclosed in Note 1(o).

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**In the comparative year***Sale of services*

Revenue from a contract to provide services is recognized by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group;
- the stage of completion of the transaction can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

Interest

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

For current year

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

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

(l) Goods and Services Tax (GST)

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

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

(m) R & D Rebates

R & D rebates are recognised at fair value when the cash is received. Rebates relating to expense items are recognised as income over the periods necessary to match the rebate to the costs they are compensating. Rebates relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**(o) Adoption of New and Revised Accounting Standards**

A number of new and revised standards became effective for the first time in annual periods beginning on or after 1 July 2018. Information on the more significant standard(s) is presented below:

AASB 9 Financial Instruments

AASB 9 Financial Instruments introduces new disclosure requirements for classification and measurement, impairment of financial assets and hedge accounting.

Additional disclosure requirements arise primarily in the following areas:

- Investments in equity instruments designated at fair value through other comprehensive income (FVOCI).
- Impairment, including:
 - Credit risk management practices
 - Quantitative and qualitative information about amounts arising from expected credit losses (ECLs); and
 - Credit risk exposure
- Hedge accounting.

The adoption of this standard has not had a material impact on the Group.

AASB 15 Revenue from Contracts with Customers

Revenue from Contracts with Customers that replaces AASB 118 Revenue, AASB 111 Construction contracts and some revenue related interpretations which becomes mandatory for 30 June 2019 consolidated financial statements

- Establishes a new revenue recognition model
- Changes the basis for deciding whether revenue is to be recognised over time or at a point in time.
- Provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, right of return, warranties and licensing)
- Expands and improves disclosure about revenue.

The adoption of this standard has not had a material impact on the Group.

(p) Accounting Standards issued but not yet effective and not adopted early by the Group

A number of new standards, amendments to standards and interpretations are effective for financial years beginning on or after 1 July 2019, and have not been applied in preparing these consolidated financial statements. Of the new standards, only the below are expected to have an effect on the consolidated financial statements of the Group.

- AASB 16 Leases replaces AASB 117 Leases and some lease related interpretations which becomes mandatory for the Group's 30 June 2020 consolidated financial statements.
 - Requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases.
 - Provides new guidance on the application of the definition of lease and on sale and lease back accounting
 - Largely retains the existing lessor accounting requirements in AASB117
 - Requires new and different disclosures about leases.

The Group does not plan to adopt these standards early.

NOTE 2: REVENUE AND OTHER INCOME

	Consolidated Entity	
	2019 \$	2018 \$
Revenue		
— Collaboration services	241,329	246,300
Total Revenue	241,329	246,300
Other Income		
— Interest received	1,502	2,595
— R&D tax rebate	486,778	698,772
Total other income	488,280	701,367

NOTE 3: INCOME TAX EXPENSE

	Consolidated Entity	
	2019 \$	2018 \$
(a) The components of tax expense comprise:		
— Current tax	-	-
— Deferred tax	-	-
	-	-
(b) The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on loss before income tax at 27.5% (2018:27.5%)		
— consolidated entity	(426,328)	(188,520)
Add:		
Tax effect of:		
— Non-deductible expenses	7,700	4,595
— Allowable items	82,802	85,872
— Non-deductible other expenses	(486,430)	(698,677)
— R&D Tax incentive	597,133	486,430
Income tax benefit	(225,123)	(310,300)
Income tax benefit not brought to account	225,123	310,300
Income tax expense	-	-
Accumulated tax losses not brought to account	1,995,409	1,328,154

NOTE 4: AUDITORS' REMUNERATION

Consolidated Entity	
	2019
	\$
Remuneration of the auditor for:	
— auditing or reviewing the financial report	12,000
	12,000

NOTE 5: CASH AND CASH EQUIVALENTS

Consolidated Entity	
	2019
	\$
Cash at bank and in hand	649,105
	886

NOTE 6: TRADE AND OTHER RECEIVABLES

Consolidated Entity	
	2019
	\$
CURRENT	
Trade debtors	363,000
Other debtors	100
	363,100

Ageing of trade debtor balance follows:	
	2019
	\$
Current	363,000
Past due – up to 30 days	-
Past due – between 31 and 60 days	-
Past due – between 61 and 90 days	-
Pas due – after 90 days	-
	363,000

NOTE 7: PLANT AND EQUIPMENT

	Consolidated Entity	
	2019 \$	2018 \$
Computer and office equipment		
At cost	28,861	15,506
Accumulated depreciation	(28,861)	(15,506)
Total plant and equipment	-	-

Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Computer and office equipment \$	Total \$
Cost		
Opening balance	15,506	15,506
Additions	13,355	13,355
Balance at 30 June 2019	28,861	28,861
Accumulated depreciation		
Opening balance	(15,506)	(9,865)
Depreciation charge	(13,355)	(13,355)
Closing Balance	(28,861)	(28,861)
Carrying amount	-	-

NOTE 8: INTANGIBLE ASSETS

The Group expensed all research and development costs in the period incurred, as required under the Group's accounting policies (Note 1 (f)).

NOTE 9: TRADE AND OTHER PAYABLES

	Consolidated Entity	
	2019 \$	2018 \$
CURRENT		
Trade and other payables	376,646	169,545
Application monies received	226,798	1,019,000
	603,444	1,188,545

NOTE 10: EMPLOYEE BENEFITS

	Consolidated Entity	
	2019 \$	2018 \$
Annual Leave Provision	6,890	-
	6,890	-

NOTE 11: OTHER LIABILITIES

	Consolidated Entity	
	2019	2018
	\$	\$
Unearned income	330,000	-
Loan – Radium Capital	307,071	-
Loan – Quick Fee	10,288	-
	<u>647,359</u>	<u>-</u>

NOTE 12: ISSUED CAPITAL

	Consolidated Entity	
	2019	2018
	\$	\$
103,599,830 fully paid ordinary shares (2018: 100 fully paid ordinary shares)	2,456,101	100
	<u>2,456,101</u>	<u>100</u>

The company has also issued 59,877,819 performance shares. The performance shares vest in 3 tranches as follows:

Tranche 1 – Launching in the USA and achieving 1,000 customers

Tranche 2 – Achieving 20,000 customers

Tranche 3 – Achieving 50,000 customers

At 30 June 2019, the Company held \$226,798 in application monies for 1,534,858 ordinary shares. There are 18,865 performance shares yet to be issued.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Reconciliation of issued shares follow:

	No. of Ordinary Shares	No. of Performance Shares	Amount \$
Balance at 1 July 2018	100	-	\$100
Shares issued during the year	103,599,730	59,877,819	\$2,456,001
Balance at 30 June 2019	<u>103,599,830</u>	<u>59,877,819</u>	<u>\$2,456,101</u>

NOTE 13: SHARE BASED PAYMENTS

The company made its first round of capital raising during the year and the following shares were issued to foundation shareholders:

	Ordinary Shares	Performance Shares	Amount
The Digital Bakery Ltd	75,237,240	44,418,095	\$25,750
Mark Taylor	962,240	540,111	\$10

The following share-based payments were made in respect to services provided:

	Ordinary Shares	Performance Shares	Amount
Rice Barney Pty Ltd	3,352,005	2,886,928	\$200,000
Burrill Skies Pty Ltd	955,448	597,125	\$191,090
Matthew Olde	257,997	135,027	\$51,599
Beale Services Trust	135,994	67,515	\$27,199
Total			<u>\$469,888</u>

All of the above ordinary shares have been issued at a value of \$0.20 cents per share.

Rice Barney Pty Ltd acted as corporate advisor for the company, they were granted 5% of the shares at a valuation of \$200,000. They have subsequently sold down their shares to third parties, they currently hold 178,492 ordinary shares and 2,706,628 performance shares.

NOTE 14: PAYMENTS TO OFFICEHOLDERS & ASSOCIATES

In addition to the above share-based payments, officeholders and associates have received the following cash payments:

	Directors Fees	Consulting Fees	Accounting Services	Total
Andy Taylor/Digital Bakery Australia Trust	\$89,758	\$147,650	-	\$237,408
Mark Taylor/Kickr Pty Ltd	-	\$409,755	-	\$409,755
BMG Accountants	-	-	\$13,220	\$13,220
James Walker/Burrill Skies Pty Ltd	-	\$101,421	-	\$101,421

NOTE 15: RELATED PARTY TRANSACTIONS

The following are the transactions between Dough Limited and its controlled entities:

(a) Intercompany sales and other income

Dough Labs Pty Ltd rendered consulting services to Dough USA LLC. Consulting fees received by the former relating to this transaction is \$200,000 USD for the year ending 30 June 2019.

On 20 May 2019, Dough Labs Pty Ltd has written-off a loan from Dough NZ Limited amounting to \$1,310 AUD as business registration of the latter has been cancelled.

(b) Intercompany loans and receivables

Below is a summary of intercompany loans provided to and from controlled entities for working capital purposes. These loans are none interest-bearing and unsecured. No impairment recognized on these loans.

	Dough Limited	Dough Labs Pty Ltd	Dough USA LLC	Dough (Australia) Pty Ltd	Total
Loan - Dough Limited	-	(\$2,133,029)	-	\$100	(\$2,132,929)
Loan - Dough Labs Pty Ltd	\$2,132,929	-	(\$74,796)	-	\$2,058,133
Loan - Dough USA LLC	-	\$74,796	-	-	\$74,796
	\$2,132,929	\$2,058,233	(\$74,796)	\$100	-

NOTE 16: OPERATING SEGMENTS**Business and geographical segments**

The Group identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group's operation has one main risk profile and performance assessment criteria. Operating segments are therefore determined on the same basis. For the last two reporting period the Group has been focused on the Australian market and has only one operating division, being the development of a smart mobile app for banking. Currently, the Group is focused in US market, with a plan to expand in Australian market in future.

NOTE 17: CASH FLOW INFORMATION

	Consolidated Entity	
	2019 \$	2018 \$
Reconciliation of Cash Flow from Operations with Loss after Income Tax		
(Loss) after income tax	(1,550,285)	(685,529)
Non-cash flows in loss		
Depreciation expense	13,355	5,641
Share based payments	469,888	-
Finance costs accrued	16,840	-
Changes in assets and liabilities		
Increase in trade and other receivables	(348,858)	(10,150)
Increase in trade and other payables and accruals	207,101	12,517
Increase in employee benefits	6,890	
Increase in unearned income	330,000	-
Decrease in other liabilities payables	-	(220,000)
Cash flow from operations	(855,069)	(897,521)

NOTE 18: CONTROLLED ENTITIES**Controlled Entities Consolidated**

	Country of Incorporation	Percentage Owned (%)*	
		2019	2018
Parent Entity:			
Dough Limited (formerly Dough Holdings Limited)	Australia	n/a	n/a
Subsidiaries:			
Dough Labs Pty Ltd (formerly Dough Pty Ltd) – incorporated on 12 November 2015	Australia	100	-
Dough (Australia) Pty Limited – incorp. on 19 July 2016	Australia	100	-
Dough NZ Limited – Deregistered (20 May 2019)	New Zealand	-	-
Dough USA LLC - incorporated on 1 February 2017	USA	100	-
Dough Wealth LLC – incorporated on 21 August 2018	USA	100	-

* Percentage of voting power is in proportion to ownership

NOTE 19: CONTINGENT LIABILITIES

A legal claim was brought against a director of the company by Stav Investments in 2019. The claim does not relate to any group activity however the company agreed to support the director financially, by way of legal fees, on this claim to ensure his reputation is not damaged. External legal advice has confirmed that the company will not be liable for any settlement amounts in the unlikely event that the action is successful against the director.

There are no known contingent liabilities for 2018.

NOTE 20: FINANCIAL RISKS MANAGEMENT**Risk management objectives and policies**

The Group is exposed to various risks in relation to financial instruments. The main type of risks are market risk, credit risk and liquidity risk.

The Group's risk management policy focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to volatile financial markets. The Group does not actively engage in the trading of financial assets for speculative purposes nor does it write options. The most significant financial risks to which the Group is exposed are described below.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet contractual obligations.

The maximum exposure of the Group to credit risk without considering the effects of collaterals and other risk mitigation techniques as at 30 June is presented below:

	Consolidated Entity	
	2019	2018
	\$	\$
Cash in banks	649,105	886
Trade and other receivables	363,100	14,242
	<u>1,012,205</u>	<u>15,128</u>
Trade and other payables	603,444	1,188,545
Other liabilities	654,249	-
	<u>1,257,693</u>	<u>1,188,545</u>

Management assessed that there is no indication of impairment on the Groups's receivables as at 30 June 2019 and 2018.

The credit quality of the Group's neither past due nor impaired financial assets based on their historical experience with the corresponding third parties has been defined as follows:

- Grade A: Financial assets which are consistently collected before maturity.
- Grade B: Financial assets which are collected on their due dates even without an effort from the Group to follow them up.
- Grade C: Financial assets which are collected on their due dates provided that the Groups's made a persistent effort to collect.

The credit quality per class of financial assets that are neither past due nor impaired as at 30 June 2019 is as follows:

	Grade A	Grade B	Grade C	Total
Cash in banks	\$649,105	-	-	\$649,105
Trade and other receivables	-	\$363,100	-	\$363,100
	<u>\$649,105</u>	<u>\$363,100</u>	<u>-</u>	<u>\$1,012,205</u>

Liquidity Risk

Liquidity risk arises from the possibility that the Group may encounter difficulties in raising funds to meet commitments from financial instruments.

The Group manages liquidity risk by maintaining a balance between continuity of funding and flexibility. Treasury controls and procedures are in place to ensure that sufficient cash is maintained to cover daily operational and working capital requirements. Management closely monitors the Group's future and contingent obligations and sets up required cash reserves as necessary in accordance with internal policies.

The tables below summarize the maturity profile of the Groups's financial assets and liabilities as at 30 June 2019 based on undiscounted contractual cash flows:

	Carrying Amount \$	Contractual Cash Flows \$	Less than 1 Year \$	More than 1 Year \$
Financial Assets				
Cash and cash equivalents	649,105	649,105	649,105	-
Trade and other receivables	363,100	363,100	363,100	-
	1,012,205	1,012,205	1,012,205	-
Financial Liabilities				
Trade and other payables	610,334	610,334	610,334	-
Other liabilities	647,359	647,359	647,359	-
	1,257,693	1,257,693	1,257,693	-

Foreign Currency Risk

The Group has transactional foreign currency exposure arising mainly from transactions of one the controlled entities, Dough USA LLC, which are denominated in US dollar.

The table below shows the outstanding balance of the Groups's foreign currency-denominated financial assets and liabilities translated using closing rate as of 30 June 2019.

	In USD	In AUD
Financial Assets		
Cash and cash equivalents	\$10,980	\$15,622
Financial Liabilities		
Trade and other payables	\$34,000	\$48,374

NOTE 21: FAIR VALUE MEASUREMENT

The following methods and assumption were used to estimate the fair value of each class of financial instrument for which it is practicable to estimate such value:

Cash and cash equivalents, trade and other receivables and payables, other current liabilities

Carrying amounts approximate their fair values due to relatively short-term maturity of these instruments.

The following table summarises the carrying amounts and fair values of the financial assets and financial liabilities as of 30 June 2019:

	Carrying Amount \$	Fair Value \$
Financial Assets		
Cash and cash equivalents	649,105	649,105
Trade and other receivables	363,100	363,100
	<u>1,012,205</u>	<u>1,012,205</u>
Financial Liabilities		
Trade and other payables	603,444	603,444
Other liabilities	654,249	654,249
	<u>1,257,693</u>	<u>1,257,693</u>

NOTE 22: OPERATING LEASE COMMITMENTS

All current operating leases are on month to month tenancies accordingly, there are no operating lease commitments as of 30 June 2019.

NOTE 23: EVENTS AFTER BALANCE SHEET DATE

During March 2020, the Australian government imposed social distancing measures to reduce the contagion of COVID-19. The Group's employees are working from home during this time. Additionally, the US government is imposing lockdown measures to combat the same contagion. However, the timing, full extent of the impact and recovery from COVID-19 on our employees and business operations continues to evolve as at the date of this report. As such, the Group is unable to estimate the effects on the Group's financial position, liquidity and operations in the 2020 and 2021 financial years.

Other than the above, there were no other events between the end of the financial year and the date of this report that, in the opinion of the Directors, affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group.

NOTE 24: DOUGH LIMITED - PARENT COMPANY INFORMATION

	2019	2018
	\$	\$
Parent entity		
Assets		
Current assets	760	-
Non-current assets	2,333,786	100
Total assets	2,334,546	100
Liabilities		
Current liabilities	327,556	-
Non-current liabilities	-	-
Total liabilities	327,556	-
Net Assets	2,006,990	100
Equity		
Issued capital	2,456,101	100
Accumulated losses	(449,111)	-
Total Equity	2,006,990	100
Financial performance		
Loss for the year	449,111	
Other comprehensive income	-	
Total comprehensive income	449,111	

Dough Limited (formerly Dough Holdings Limited) was incorporated on 27 July 2017.

NOTE 25: COMPANY DETAILS AND PRINCIPAL PLACE OF BUSINESS

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

Dough Limited
Level 9, 17-19 Bridge Street
Sydney NSW 2000
AUSTRALIA

DIRECTORS' DECLARATION

1. In the opinion of the directors of Dough Limited:

- a. the consolidated financial statements and notes of Dough Limited and its Controlled Entities (The Group) are in accordance with the Corporations Act 2001, including
- i giving a true and fair view of its financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

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

2. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:

DocuSigned by:

Steve Bellotti

Steve Bellotti
Chairman
Dated 27 April 2020

DocuSigned by:

Andy Taylor

Andy Taylor
CEO and Managing Director
Dated 27 April 2020

Independent Audit Report to the members of Dough Ltd and its Controlled Entities

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Dough Ltd (the "Company") and its Controlled Entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' Declaration.

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

- i. giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. 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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Emphasis of matter – Material Uncertainty Regarding Going Concern

We draw attention to Note 1(a) of the financial report, which describes that the Group made a loss for the financial year ended 30 June 2019 of \$1,550,285. The Group has also reported a net operating cash outflow of \$855,069. As stated in Note 1(a), these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of 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 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 the financial report.

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

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

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


 ROBERT EVETT
 Director
 Sydney


 BENTLEYS NSW AUDIT PTY LTD
 Chartered Accountants

Dated: April 28, 2020.



Dough Holdings Limited
Financial Report
Year ended 30 June 2018

ABN 94 609 270 475

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DIRECTORS' REPORT

Your directors present their report on Dough Holdings Limited and its controlled entities ("the Group") for the financial year ended 30 June 2018.

DIRECTORS

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

Mr Stephen Bellotti – appointed 30 October 2017

Mr Andrew Taylor – appointed 30 October 2017

Mr Jeffrey Beaumont – appointed on incorporation on 27 July 2017

Directors have been in office for the entire financial year and to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activity of the Group during the financial period is to develop and get ready to launch an artificial intelligence (AI) first approach to reimagine banking, enabling our customers to better manage their money and achieve financial freedom through a smart mobile banking app.

There were no significant changes in the nature of the Group's principal activities during the financial year.

REVIEW OF OPERATIONS

The 2018 Financial Year has seen major advancements for Dough, both with the accelerated development of our smart mobile banking app and our search for banking partners to ready the product for launch in calendar year 2018. Dough is continuing to make progress on its strategic partnerships that will enable a roll out of our product across multiple countries, including the USA and Australia.

The group's activities were funded throughout 2018 via research and development grants and a collaboration with one of Australia's premier banks that could lead to future partnerships.

In conclusion; 2018 has been a very successful year for the company laying the foundations for our commercial success. The Dough Board and Management look forward to delivering commercial outcomes for our shareholders and our breakthrough product launch later in the year.

FINANCIAL SUMMARY

The consolidated loss for the period increased to \$685,529 from a loss of \$275,535 in 2017.

The net assets of the consolidated entity were in deficit for both years, increasing from \$387,988 to \$1,173,417. This amount includes \$1,019,000 in share application monies received with the shares to be formally issued. Once issued, the net deficit of the Group would have been \$154,417. The group's cash reserves decreased from \$444,048 to \$886.

Total revenue increased to \$947,667 from \$656,051 in 2017. Within this the research and development grant total income increased to \$698,772 in 2018 from \$354,325 in 2017.

With a full year of operations operating expenditure has increased by \$701,610 to \$1,633,197 from \$931,586 in 2017. This increase is mainly due to increased development costs of the product.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than the developments reported elsewhere in this report, there were no significant changes in the state of affairs during the year.

DIVIDENDS PAID OR RECOMMENDED

No dividends were declared in 2018 or 2017.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There were no reportable financial matters subsequent to the end of the Financial Year.

FUTURE DEVELOPMENTS, PROSPECTS AND BUSINESS STRATEGIES

Dough will continue to develop its smart mobile banking app for launch in calendar year 2018. The company will look to launch in the USA first and will thereafter focus on the Australian and other markets.

ENVIRONMENTAL AND SAFETY ISSUES

There were no reportable safety or environmental incidents during the course of the financial year.

MEETINGS OF DIRECTORS

During the financial year, 6 meetings of directors were held. Attendances by each director during the year were:

DIRECTORS' MEETINGS

	Number eligible to attend	Number Attended
Steve Bellotti	5	5
Andrew Taylor	6	6
Jeff Beaumont	6	6

The company was incorporated on 27 July 2017. The board established an Audit & Risk Committee and a Remunerations and Nominations Committee on 30 October 2017.

INDEMNITIES GIVEN TO AND INSURANCE PREMIUMS PAID FOR AUDITORS AND OFFICERS

The Group has entered into Deeds of Indemnity, Insurance and Access with each of the directors and the Company Secretary. Each deed provides officers with the following:

- ✳ A right to access certain Board papers of the Group during the period of their tenure and for a period of seven years after that tenure ends;
- ✳ Subject to the Corporations Act 2001, an indemnity in respect of liability to persons other than the Group and its related bodies corporate that they may incur while acting in their capacity as an officer of the Group or a related body corporate, except where that liability involves a lack of good faith, and for defending certain legal proceedings; and the requirement that the Group maintains appropriate directors' and officers' insurance for the officer.
- ✳ No liability has arisen under these indemnities as at the date of this report.
- ✳ The Company has paid no premiums to insure each of the directors, secretary and executives against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of a director or officer of the company, other than conduct involved in a wilful breach of duty in relation to the company.
- ✳ The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

DIRECTORS' REPORT cont.

DIVERSITY POLICY

Dough has established a Diversity Policy that outlines the Company's commitment to diversity and the active steps the Company will take in implementing the policy, commensurate with a company of its size and the industry with which it operates. A copy of the Diversity Policy is contained in Schedule 7 of the Company's Corporate Governance Statement.

Our policy is to recruit and manage on the basis of qualification for the position and performance, regardless of gender, age, nationality, race, religious beliefs, cultural background, sexuality or physical ability. Due to the Company's current size and level of activity there has been limited opportunity with which to measure the Company's commitment to its diversity policy during the 2018 financial year. The board discusses its diversity policy at board meeting's were potential changes to the work force is discussed.

PROCEEDINGS ON BEHALF OF COMPANY

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

NON-AUDIT SERVICES

The Board of directors is satisfied that no non-audit services were performed during the year and therefore is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

There were no fees for non-audit services payable to the external auditors during the year ended 30 June 2018 and 2017.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required by s307C of the Corporation Act 2001 for the year ended 30 June 2018 has been received and can be found on page 6 and forms part of the Directors' Report.



Steve Bellotti
Chairman

Dated: 13 November 2018



Andy Taylor
CEO and Managing Director

Dated: 13 November 2018



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Dough Holdings Limited

ABN: 94 609 270 475

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Dough Holdings Limited

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2018, there have been:

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

ROBERT EVETT
Director
Sydney

Dated:

November 13, 2018

BENTLEYS NSW AUDIT PTY LTD
Chartered Accountants

PROFIT OR LOSS AND COMPREHENSIVE INCOME

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

	Note	Consolidated Entity	
		2018 \$	2017 \$
Revenue	2	246,300	300,000
Other income	2	701,367	356,051
Research and development expenses		(1,447,266)	(835,387)
Business development expenses		(73,975)	(34,710)
Corporate and infrastructure expenses		(103,455)	(51,624)
Depreciation and amortisation expense		(6,930)	(9,865)
Interest expense		(1,570)	-
Loss before income tax		(685,529)	(275,535)
Income tax expense	3	-	-
Loss for the period		(685,529)	(275,535)
Other comprehensive income		-	-
Total comprehensive income		(685,529)	(275,535)
Loss attributable to:			
- Members of the parent entity		(685,529)	(275,535)
- Non-controlling interest		-	-
		(685,529)	(275,535)
Total Comprehensive Income attributable to:			
- Members of the parent entity		(685,529)	(275,535)
- Non-controlling interest		-	-
		(685,529)	(275,535)

The financial statements should be read in conjunction with the following notes.

FINANCIAL POSITION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Note	Consolidated Entity	
		2018	2017
		\$	\$
Current Assets			
Cash and cash equivalents	5	886	444,048
Trade and other receivables	6	14,242	103,991
TOTAL CURRENT ASSETS		15,128	548,039
Non-Current Assets			
Plant and equipment	7	-	-
Intangible assets	8	-	-
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		15,128	548,039
Current Liabilities			
Trade and other payables	9	1,188,545	716,027
Other liabilities	10	-	220,000
TOTAL CURRENT LIABILITIES		1,188,545	936,027
Non-Current Liabilities			
Other liabilities		-	-
TOTAL NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		1,188,545	936,027
NET ASSETS		(1,173,417)	(387,988)
Equity			
Issued capital	11	100	100,000
Accumulated profits (losses)		(1,173,517)	(487,988)
TOTAL EQUITY		(1,173,417)	(387,988)

The financial statements should be read in conjunction with the following notes.

CHANGES IN EQUITY

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Consolidated Entity			
Balance at 1 July 2016	100,000	(212,453)	(112,453)
Total comprehensive income	-	(275,535)	(275,535)
Balance at 30 June 2017	100,000	(487,988)	(387,988)
Balance at 1 July 2017	100,000	(487,988)	(387,988)
Total comprehensive income	-	(685,529)	(685,529)
	100,000	(1,173,517)	(1,073,517)
Transactions with owners in their capacity as owners			
Corporate restructuring on roll up to Dough Holdings Limited	(99,900)	-	(99,900)
Balance at 30 June 2018	100	(1,173,517)	(1,173,417)

CASHFLOWS

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

		Consolidated Entity	
	Note	2018	2017
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		13,370	550,000
Interest and other income received		2,595	1,726
Receipts for R&D grants		698,772	354,325
Payments to suppliers and employees		(1,612,258)	(757,216)
Net cash provided by / (used in) operating activities	13	(897,521)	148,835
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(5,641)	(9,865)
Net cash used in investing activities		(5,641)	(9,865)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of share application funds received		460,000	300,000
Net cash provided by financing activities		460,000	300,000
Net increase / (decrease) in cash held		(443,162)	438,970
Cash at beginning of financial year		444,048	5,078
Cash at end of financial year	5	886	444,048

The financial statement should be read in conjunction with the following notes.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report covers Dough Holdings Limited as a consolidated entity ("Group"). Dough Holdings Limited is a unlisted public company, incorporated and domiciled in Australia.

The separate financial statements of the parent entity, Dough Holdings Limited have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 13 November 2018 by the directors of the company.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report.

Basis of Preparation

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). Dough Pty Limited is a for-profit entity for the purpose of preparing financial statements.

The accounting policies set out below have been consistently applied to all years presented.

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) **Going Concern**

Notwithstanding the accumulated losses for the company and the consolidated entity, the directors have performed a review of the cash flow forecasts and have considered the cash flow needs of the company and consolidated entity. The directors have prepared the financial statements on a going concern basis, as the directors have a number of strategies in progress to generate revenues from operations and maintain the company in a cashflow positive position.

(b) **Principles of Consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Dough Holdings Limited at the end of the reporting period. A controlled entity is any entity Dough Holdings Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

Where controlled entities have entered or left the Group during the year, the financial performance of those entities are included only for the period of the year they were controlled. A list of controlled entities is contained in Note 14 to the financial statements. All controlled entities have a June financial year-end.

In preparing the consolidated financial statements all inter-group balances and transactions between entities in the consolidated group have been eliminated on consolidation. Accounting policies of subsidiaries are consistent with those adopted by the parent entity.

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

Restructure accounting

On 3 November 2017, Dough Holdings Limited wholly acquired Dough Pty Limited with the view of re-organising the business ahead of an intended listing on the ASX.

Under the accounting standard applicable to business acquisitions, AASB 3: *Business Combinations*, the acquisition does not meet the definition of a business combination as Dough Holdings Limited did not meet the definition of a business at the date of acquisition.

The acquisition of Dough Pty Limited by Dough Holdings Limited is deemed to be a restructure, and the financial statements are a continuation of the Dough Pty Limited company. In relation to the Consolidated Statement of Profit or Loss and Other Comprehensive Income, any expenses incurred by Dough Holdings

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Limited, prior to the acquisition of Dough Pty Limited, have been treated as an expense of the Group incurred as part of the listing process.

The impact of the above on each of the primary statements is as follows:

Consolidated Statement of Financial Position

The 30 June 2018 and 2017 Consolidated Statement of Financial Position represents both Dough Holdings Limited and Dough Pty Limited.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

The 30 June 2018 Consolidated Statement of Profit or Loss and Other Comprehensive Income represents twelve months of activities of Dough Pty Limited and for Dough Holdings Limited from its date of incorporation (27 July 2017) to 30 June 2018. The 30 June 2017 Statement of Profit or Loss and Other Comprehensive Income represents twelve months of Dough Pty Limited activity only.

Consolidated Statement of Changes in Equity

The 30 June 2018 Consolidated Statement of Changes in Equity comprises changes in equity for the year ended 30 June 2018 of Dough Pty Limited and Dough Holdings Limited from its date of incorporation (27 July 2017) to 30 June 2018. The 30 June 2017 Consolidated Statement of Changes in Equity represents changes in equity for the year of Dough Pty Limited only.

Consolidated Statement of Cash Flows

The 30 June 2018 Consolidated Statement of Cash Flows represents the cash flows for the year ended 30 June 2018 of Dough Pty Limited and the cash flows of Dough Holdings Limited from its date of incorporation (27 July 2017) to 30 June 2018. The 30 June 2017 Consolidated Statement of Cash Flows represents the cash flows for the year ended 30 June 2017 of Dough Pty Limited only.

(c) **Income Tax**

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

Current income tax expense charged to the profit and loss is the tax payable on taxable income calculated using applicable tax rates enacted, or substantially enacted, as at reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

Tax consolidation

Dough Holdings Limited and its wholly-owned Australian subsidiaries are yet to form an income tax consolidated group under tax consolidation legislation. Dough Holdings Limited is responsible for recognising the current and deferred tax assets and liabilities for the tax consolidated group. The tax consolidated group has entered a tax sharing agreement whereby each company in the group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(d) **Plant and Equipment**

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

Plant and equipment

Plant and equipment are measured on the cost basis.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(d) **Plant and Equipment** (continued)

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets is depreciated on a straight-line basis over their useful lives to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Furniture and Fittings	10%
Plant and equipment	20 - 100%
Computer hardware and software	33.33 -100%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

(e) **Impairment of assets**

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(f) Intangibles

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks and intellectual property have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life ranging from 5 to 10 years.

Intangible Assets – research and development

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An intangible asset arising from development is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The company has assessed that the costs incurred to date is to be treated as research costs and has been expensed in the period incurred. Therefore, no amount has been recognised for internally-generated intangible assets. When the above criteria is achieved the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

The following useful lives are used in the calculation of amortisation:

- Capitalised development expenditure 2.5 years
- Patents & Rights 4 - 10 years

Due to the uncertainty of generating future revenue from intangible assets associated with development activities, the net amortised balance of such expenditure would be fully impaired at the balance date.

(g) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent and controlled entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the income statement, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity, otherwise the exchange difference is recognised in the income statement.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(h) Employee Benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(i) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(j) Cash and Cash Equivalents

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

(k) Revenue and Other Income

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

(l) Goods and Services Tax (GST)

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

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

(m) Government Grants

Government grants are recognised at fair value when the cash is received. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

(n) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

(o) Adoption of New and Revised Accounting Standards

A number of new and revised standards became effective for the first time in annual periods beginning on or after 1 July 2018. Information on the more significant standards(s) is presented below

AASB 15 Revenue from Contracts with Customers, which becomes mandatory for 30 June 2019 consolidated financial statements.

AASB 2015-4 amends AASB128 Investments in Associates and Joint Ventures to ensure that its reporting requirements on Australian groups with a foreign parent align with those currently available in AASB 10 Consolidated Financial Statements for such groups. AASB 128 will now only require the ultimate Australian entity to apply the equity method in accounting for interests in associates and joint ventures, if either the entity or the group is a reporting entity, or both the entity and group are reporting entities.

AASB 2015-4 is applicable to annual reporting periods beginning on or after 1 July 2015 the adoption of this amendment has not had a material impact on the group.

(p) Accounting Standards issued but not yet effective and not adopted early by the Group

A number of new standards, amendments to standards and interpretations are effective for financial years beginning on or after 1 July 2018, and have not been applied in preparing these consolidated financial statements. Of the new standards, only the below are expected to have an effect on the consolidated financial statements of the Group.

- AASB 15 Revenue from Contracts with Customers that replaces AASB 118 Revenue, AASB 111 Construction contracts and some revenue related interpretations which becomes mandatory for 30 June 2019 consolidated financial statements .
 - Establishes a new revenue recognition model
 - Changes the basis for deciding whether revenue is to be recognised over time or at a point in time.
 - Provides new and more detailed guidance on specific topics (e.g. multiple element arrangements, variable pricing, right of return, warranties and licensing)
 - Expands and improves disclosure about revenue.
- AASB 16 Leases replaces AASB 117 Leases and some lease related interpretations which becomes mandatory for the Groups 30 June 2020 consolidated financial statements.
 - Requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases.
 - Provides new guidance on the application of the definition of lease and on sale and lease back accounting
 - Largely retains the existing lessor accounting requirements in AASB117
 - Requires new and different disclosures about leases.

The Group does not plan to adopt these standards early.

NOTE 2: REVENUE AND OTHER INCOME

	Consolidated Entity	
	2018 \$	2017 \$
Revenue		
— Collaboration services	246,300	300,000
Total Revenue	246,300	300,000
Other Income		
— Interest received	2,595	1,726
— R&D tax rebate	698,772	354,325
Total other income	701,367	356,051

NOTE 3: INCOME TAX EXPENSE

	Consolidated Entity	
	2018 \$	2017 \$
(a) The components of tax expense comprise:		
— Current tax	-	-
— Deferred tax	-	-
	-	-
(b) The prima facie tax on loss before income tax is reconciled to the income tax as follows:		
Prima facie tax payable on loss before income tax at 27.5% (2017: 27.5%)		
— consolidated entity	(188,520)	(82,661)
Add:		
Tax effect of:		
— Non-deductible expenses	4,595	1,410
— Allowable items	85,872	(264,558)
— Non-deductible other expenses	(698,677)	(374,694)
— R&D Tax incentive	486,430	698,677
Income tax benefit	(310,300)	(21,826)
Income tax benefit not brought to account	310,300	21,826
Income tax expense	-	-
Accumulated tax losses not brought to account	1,328,154	48,415

NOTE 4: AUDITORS' REMUNERATION

	Consolidated Entity	
	2018 \$	2017 \$
Remuneration of the auditor for:		
— auditing or reviewing the financial report	12,000	12,000
	<u>12,000</u>	<u>12,000</u>

NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated Entity	
	2018 \$	2017 \$
Cash at bank and in hand	886	444,048
	<u>886</u>	<u>444,048</u>

NOTE 6: TRADE AND OTHER RECEIVABLES

	Consolidated Entity	
	2018 \$	2017 \$
CURRENT		
Trade debtors	12,929	-
Other debtors	1,313	3,991
Related party loan	-	100,000
	<u>14,242</u>	<u>103,991</u>

NOTE 7: PLANT AND EQUIPMENT

	Consolidated Entity	
	2018 \$	2017 \$
Computer and office equipment		
At cost	15,506	9,865
Accumulated depreciation	(15,506)	(9,865)
Total plant and equipment	<u>-</u>	<u>-</u>

NOTE 7: PLANT AND EQUIPMENT (CONT.)

Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Computer and office equipment	Total
	\$	\$
Cost		
Opening balance	9,865	9,865
Additions	5,641	5,641
Balance at 30 June 2018	15,506	15,506
Accumulated depreciation		
Opening balance	(9,865)	(9,865)
Depreciation charge	(5,641)	(5,641)
Closing Balance	(15,506)	(15,506)
Carrying amount	-	-

NOTE 8: INTANGIBLE ASSETS

The Group expensed all research and development costs in the period incurred, as required under the Group's accounting policies (note 1 (e)).

NOTE 9: TRADE AND OTHER PAYABLES

	Consolidated Entity	
	2018	2017
	\$	\$
CURRENT		
Trade and other payables	169,545	182,027
Application monies received	1,019,000	534,000
	1,188,545	716,027

NOTE 10: OTHER LIABILITIES

	Consolidated Entity	
	2018	2017
	\$	\$
Unearned income	-	220,000
Related party loan	-	-
	-	220,000

NOTE 11: ISSUED CAPITAL

	Consolidated Entity	
	2018 \$	2017 \$
Fully paid ordinary shares	100	100,000
	100	100,000

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

NOTE 12: OPERATING SEGMENTS

(a) Business and geographical segments

The Group identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The Group's operation has one main risk profile and performance assessment criteria. Operating segments are therefore determined on the same basis. For the last two reporting periods the Group has been focussed on the Australian market and has only one operating division, being the development of a smart mobile app for banking.

NOTE 13: CASH FLOW INFORMATION

	Consolidated Entity	
	2018 \$	2017 \$
(a) Reconciliation of Cash Flow from Operations with Loss after Income Tax		
(Loss) after income tax	(685,529)	(275,535)
Non-cash flows in loss		
Depreciation expense	5,641	9,865
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(10,150)	32,079
Increase/(decrease) in trade and other payables and accruals	12,517	170,786
Increase/(decrease) in other liabilities payables	(220,000)	211,640
Cash flow from operations	(897,521)	148,835

NOTE 14: CONTROLLED ENTITIES

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		2018	2017
Parent Entity:			
Dough Holdings Limited	Australia	n/a	n/a
Subsidiaries:			
Dough Pty Limited – incorporated on 12 November 2015	Australia	100	-
Dough (Australia) Pty Limited – incorp. on 19 July 2016	Australia	100	-
Dough NZ Limited -- incorporated on 16 March 2017	New Zealand	100	-
Dough USA LLC - incorporated on 1 February 2017	USA	100	-
Dough Wealth LLC – incorporated on 21 August 2018	USA	100	-

* Percentage of voting power is in proportion to ownership

NOTE 15: CONTINGENT LIABILITIES

There are no known contingent liabilities.

NOTE 16: EVENTS AFTER BALANCE SHEET DATE

There have been no events after balance date to report.

NOTE 17: DOUGH HOLDINGS LIMITED - PARENT COMPANY INFORMATION

	2018	2017
	\$	\$
Parent entity		
Assets		
Non-current assets	100	-
Total assets	100	-
Net Assets	100	-
Equity		
Issued capital	100	-
Total Equity	100	-
Financial performance		
Loss for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-

Dough Holdings Limited was incorporated on 27 July 2017.

NOTE 18: COMPANY DETAILS AND PRINCIPAL PLACE OF BUSINESS

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

Dough Holdings Limited
Level 9, 17-19 Bridge Street
Sydney NSW 2000
AUSTRALIA

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DIRECTORS' DECLARATION

1. In the opinion of the directors of Dough Holdings Limited:

- a. the consolidated financial statements and notes of Dough Holdings Limited are in accordance with the Corporations Act 2001, including
- i giving a true and fair view of its financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and
 - ii complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

- b. there are reasonable grounds to believe that Dough Holdings Limited will be able to pay its debts as and when they become due and payable.

2. Note 1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the directors:



Steve Bellotti
Chairman



Andy Taylor
CEO and Managing Director

Dated: 13 November 2018

Dough Holdings Limited and its Controlled Entities

ABN: 94 609 270 475

Independent Audit Report to the members of Dough Holdings Limited and its Controlled Entities**Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Dough Holdings Limited (the Company) and its Controlled Entities (the Group), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

- a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and
 - ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

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* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Responsibilities of 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 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 the financial report.

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

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

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



ROBERT EVETT
Director
Sydney



BENTLEYS NSW AUDIT PTY LTD
Chartered Accountants

Dated:

November 13, 2018