



Dough Technologies Limited  
Financial Report  
Year ended 30 June 2020

ABN 94 609 270 475

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# DIRECTORS' REPORT

Your directors present their report on Dough Technologies Limited (formerly Dough Limited) and its controlled entities ("the Group") for the financial year ended 30 June 2020.

## 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 2020 Financial Year has seen major advancements for Dough Technologies, 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 2020. Dough Technologies 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 2020 via research and development grants and a collaboration with one of Australia's premier banks that could lead to future partnerships. In conclusion; 2020 has been a very successful year for the group laying the foundations for our commercial success. The Dough Technologies 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 decreased to \$1,299,600 from a loss of \$1,550,285 in 2019.

The net assets of the consolidated entity were in deficit for both years, increasing from \$245,488 to \$899,707. The increase in the deficit is a result of operating expenses being funded by debt rather than equity. The group has issued ordinary shares during the period amounting to \$648,384. The group's cash reserves decreased from \$649,105 to \$172,136.

Total revenue increased to \$1,419,919 from \$729,609 in 2019. Within this the research and development grant total income increased to \$1,288,714 in 2019 from \$486,778 in 2019. The group has also received government incentives relating to COVID-19 amounting to \$129,000. Operating expenditure has increased by \$325,769.91 to \$2,605,664 from \$2,279,894 in 2019. 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.

## DIRECTORS' REPORT cont.

### 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 2020 or 2019.

### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

At an Extraordinary General Meeting of the Company held on the 17<sup>th</sup> August 2020, the Shareholders unanimously agreed to the following:

- The acquisition of all of the issued capital in the Company by Zip Tel Ltd
- To make a selective reduction of capital, cancelling all of the Performance Shares in the Company

Further, a Performance Shareholders' Special General Meeting was held on the 17<sup>th</sup> August 2020 approving unanimously, For the cancellation of all of the Performance Shares held by the Performance Shareholders.

On the 17 September 2020 the company changed its name from Dough Limited to Dough Technologies Limited.

On the 18 September 2020 the Company completed the Share Sale transaction with Zip Tel Limited and accordingly is a 100% owned subsidiary of Zip Tel Ltd.

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 Technologies will continue to develop it's 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
<b>Steve Bellotti</b>	9	9
<b>Andrew Taylor</b>	9	9
<b>Jeff Beaumont</b>	6	4
<b>Patrick Tuttle</b>	4	4

## DIRECTORS' REPORT cont.

### 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.

### OPTIONS

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

### DIVERSITY POLICY

Dough Technologies 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 2020 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.

### 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 2020 and 2019.



## DIRECTORS' REPORT cont.

### AUDITOR'S INDEPENDENCE DECLARATION

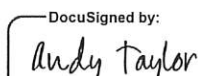
The auditor's independence declaration as required by s307C of the Corporation Act 2001 for the year ended 30 June 2020 has been received and can be found on page 6 and forms part of the Directors' Report.

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

DocuSigned by:  
  
5504E7BA4E9A4AD...  
Steve Bellotti

Chairman

Dated: 25 September 2020

DocuSigned by:  
  
5393E748B2D1490...  
Andy Taylor

CEO and Managing Director

Dated: 25 September 2020

**DOUGH TECHNOLOGIES LIMITED**

**ABN 94 620 721 342**

**AUDITOR'S INDEPENDENCE DECLARATION**

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**UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

**TO THE DIRECTORS OF: Dough Technologies Limited and Controlled Entities**

We declare that, to the best of our knowledge and beliefs, during the year ended 30 June 2020 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.

Signed On: *28TH SEPTEMBER, 2020.*



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Tony Khoury, Partner

**T A Khoury & Co**

**Chartered Accountant**

59 George Street, Burwood NSW 2134

# PROFIT OR LOSS AND COMPREHENSIVE INCOME

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated Entity	
		2020 \$	2019 \$
Revenue	2	218	241,329
Other income	2	1,419,701	488,280
Research and development expenses		(673,544)	(1,071,622)
Business development expenses		(207,258)	(48,289)
Corporate and infrastructure expenses		(1,648,418)	(1,118,421)
Depreciation and amortisation expense		(1,785)	(13,355)
Interest expense		(74,659)	(28,207)
<b>Loss before income tax</b>		<b>(1,185,745)</b>	<b>(1,550,285)</b>
Income tax expense	3	(113,855)	-
<b>Loss for the period</b>		<b>(1,299,600)</b>	<b>(1,550,285)</b>
<b>Other comprehensive income</b>			-
<b>Total comprehensive income</b>		<b>(1,299,600)</b>	<b>(1,550,285)</b>
<b>Loss attributable to:</b>			
- Members of the parent entity		(1,299,600)	(1,550,285)
- Non-controlling interest		-	-
		<b>(1,299,600)</b>	<b>(1,550,285)</b>
<b>Total Comprehensive Income attributable to:</b>			
- Members of the parent entity		(1,299,600)	(1,550,285)
- Non-controlling interest		-	-
		<b>(1,299,600)</b>	<b>(1,550,285)</b>

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



# FINANCIAL POSITION

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	Consolidated Entity	
		2020	2019
		\$	\$
<b>Current Assets</b>			
Cash and cash equivalents	5	172,136	649,105
Trade and other receivables	6	640,354	363,100
<b>TOTAL CURRENT ASSETS</b>		<b>812,490</b>	<b>1,012,205</b>
<b>Non-Current Assets</b>			
Plant and equipment	7	-	-
Intangible assets	8	-	-
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>812,490</b>	<b>1,012,205</b>
<b>Current Liabilities</b>			
Trade and other payables	9	705,541	603,444
Employee benefits	10	55,283	6,890
Other liabilities	11	951,373	647,359
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,712,197</b>	<b>1,257,693</b>
<b>Non-Current Liabilities</b>			
Other liabilities		-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>1,712,197</b>	<b>1,257,693</b>
<b>NET ASSETS</b>		<b>(899,707)</b>	<b>(245,488)</b>
<b>Equity</b>			
Issued capital	12	3,104,485	2,456,101
Accumulated profits (losses)		(4,023,402)	(2,723,802)
Foreign exchange translation reserve		19,210	22,213
<b>TOTAL EQUITY</b>		<b>(899,707)</b>	<b>(245,488)</b>

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 2020

	Issued Capital	Share-Based Payments	Accumulated Losses	Forex Translation Reserve	Total
	\$	\$	\$	\$	\$
<b>Consolidated Entity</b>					
<b>Balance at 1 July 2018</b>	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)
<b>Balance at 30 June 2019</b>	<b>1,986,213</b>	<b>469,888</b>	<b>(2,723,802)</b>	<b>22,213</b>	<b>(245,488)</b>
<b>Balance 1 July 2019</b>	1,986,213	469,888	(2,723,802)	22,213	(245,488)
Shares Issued During the Year	533,333	115,051	-	-	648,384
Total Comprehensive Income	-	-	(1,299,600)	(3,003)	(1,302,603)
<b>Balance at 30 June 2020</b>	<b>2,519,546</b>	<b>584,939</b>	<b>(4,023,402)</b>	<b>19,210</b>	<b>(899,707)</b>

# CASHFLOWS

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated Entity	
		2020	2019
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		363,218	244,718
Interest and other income received		1,987	1,502
Receipts for R&D grants		597,671	486,778
Receipts for other government subsidies		104,000	-
Payments to suppliers and employees		(2,244,566)	(1,588,067)
Income taxes paid		(113,855)	-
<b>Net cash used in operating activities</b>	<b>17</b>	<b>(1,291,545)</b>	<b>(855,069)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(1,785)	(13,355)
<b>Net cash used in investing activities</b>		<b>(1,785)</b>	<b>(13,355)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of shares		533,333	1,193,911
Proceeds from Loan		785,388	697,113
Repayments of Loan		(499,357)	(396,594)
<b>Net cash provided by financing activities</b>		<b>819,364</b>	<b>1,494,430</b>
Net increase (decrease) in cash held		(473,966)	626,006
Cash at beginning of financial year		649,105	886
Effect of foreign currency translation		(3,003)	22,213
<b>Cash at end of financial year</b>	<b>5</b>	<b>172,136</b>	<b>649,105</b>

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

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

The financial statements were authorised for issue on 25 September 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 2020, the Group has recorded a loss after tax from continuing operations of \$1,299,600; it has a cash balance of \$172,136, net current liabilities of \$899,707 and had net cash outflows from continuing operations of \$1,291,545. 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. The recent transaction whereby 100% of the shares in the company were purchased by Dough Limited (formally ZipTel Limited) and based on the cash reserves of the parent company and a successful capital raising of \$6,000,000 (subject to ASX reinstatement to the official list) the Company will be able to continue as a going concern.

#### (b) **Principles of Consolidation**

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Dough Technologies Limited at the end of the reporting period. A controlled entity is any entity Dough Technologies 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.

## NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

**(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 Technologies Limited and its wholly-owned Australian subsidiaries are yet to form an income tax consolidated group under tax consolidation legislation. Dough Technologies 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.



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

**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.

**(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.

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

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.

**(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.

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

*Sale of services*

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.

*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).

**(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 it becomes receivable. 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 2019. Information on the more significant standard(s) is presented below:

**AASB 16 Leases**

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 has no existing long-term leases.

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 2020, and have not been applied in preparing these consolidated financial statements. Of the new standards, only the below are expected to have as effect on the consolidated financial statements of the Group.

**AASB 17 Insurance Contracts**

AASB 17 will replace the three standards that we have today, which cover definitions of insurance (AASB 4), general insurance (AASB 1023) and life insurance (AASB 1038). The standard applies for annual reporting periods beginning on or after 1 January 2022.

There are basically three methods of accounting under the new standard, with the applicable method determined by the nature of the insurance contracts issued. These new methods are:

- Main method of accounting, which applies to longer term coverage contracts such as life insurance;
- Simplified premium allocation approach, which applies to eligible contracts such as those that are 1 year or less (eg. motor and health policies); and
- Method which applies to profit participation schemes, such as the traditional with-profits business issued by life insurers.

The Group does not plan to adopt these standards early.

## NOTE 2: REVENUE AND OTHER INCOME

	Consolidated Entity	
	2020 \$	2019 \$
Revenue		
— Collaboration services	218	241,329
Total Revenue	218	241,329
Other Income		
— Interest received	1,987	1,502
— R&D tax rebate	1,288,714	486,778
— Other government subsidies	129,000	-
Total other income	1,419,701	488,280

## NOTE 3: INCOME TAX EXPENSE

	Consolidated Entity	
	2020 \$	2019 \$
(a) The components of tax expense comprise:		
— Current tax	113,855	-
— Deferred tax	-	-
	113,855	-
(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	(326,080)	(426,328)
Add:		
Tax effect of:		
— Non-deductible expenses	476,858	7,700
— Allowable items	7,081	82,802
— Non-deductible other expenses	(597,133)	(486,430)
— R&D Tax incentive	691,043	597,133
Income tax benefit	251,769	(225,123)
Income tax benefit not brought to account	(130,833)	225,123
Income tax expense	113,855	-
Accumulated tax losses not brought to account	-	1,995,409



## NOTE 4: AUDITORS' REMUNERATION

Consolidated Entity	
	2020
	\$
	2019
	\$
Remuneration of the auditor for:	
— auditing or reviewing the financial report	27,551
	12,000
	27,551
	12,000

## NOTE 5: CASH AND CASH EQUIVALENTS

Consolidated Entity	
	2020
	\$
	2020
	\$
Cash at bank and in hand	172,136
	649,105
	172,136
	649,105

## NOTE 6: TRADE AND OTHER RECEIVABLES

Consolidated Entity	
	2020
	\$
	2019
	\$
CURRENT	
Trade debtors	-
Other debtors	363,000
	640,354
	100
	640,354
	363,100
Ageing of trade debtor balance follows:	
	2020
	\$
	2019
	\$
Current	640,354
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	-
	640,354
	363,000

## NOTE 7: PLANT AND EQUIPMENT

	Consolidated Entity	
	2020 \$	2019 \$
<b>Computer and office equipment</b>		
At cost	30,647	28,861
Accumulated depreciation	(30,647)	(28,861)
<b>Total plant and equipment</b>	<b>-</b>	<b>-</b>

**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 \$
<b>Cost</b>		
Opening balance	28,861	28,861
Additions	1,785	1,785
Balance at 30 June 2020	30,646	28,861
<b>Accumulated depreciation</b>		
Opening balance	(28,861)	(28,861)
Depreciation charge	(1,785)	(1,785)
Closing Balance	(30,646)	(30,646)
<b>Carrying amount</b>	<b>-</b>	<b>-</b>

## 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	
	2020 \$	2019 \$
<b>CURRENT</b>		
Trade and other payables	705,541	376,646
Application monies received	-	226,798
	<b>705,541</b>	<b>603,444</b>

## NOTE 10: EMPLOYEE BENEFITS

	Consolidated Entity	
	2020 \$	2019 \$
Annual Leave Provision	55,283	6,890
	<u>55,283</u>	<u>6,890</u>

## NOTE 11: OTHER LIABILITIES

	Consolidated Entity	
	2020 \$	2019 \$
Unearned income	330,000	330,000
Loan – Radium Capital	359,214	307,071
Loan – Quick Fee	12,159	10,288
Equity convertible loans	250,000	-
	<u>951,373</u>	<u>647,359</u>

## NOTE 12: ISSUED CAPITAL

	Consolidated Entity	
	2020 \$	2020 \$
129,784,045 fully paid ordinary shares (2019: 103,599,830 fully paid ordinary shares)	3,104,485	2,456,101
	<u>3,104,485</u>	<u>2,456,101</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

There are 18,865 performance shares yet to be issued as of 30 June 2020.

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: ISSUED CAPITAL (cont.)

Reconciliation of issued shares follow:

	No. of Ordinary Shares	No. of Performance Shares	Amount \$
Balance at 1 July 2019	103,599,830	59,877,819	\$2,456,101
Shares issued during the year	26,184,215	-	648,384
Balance at 30 June 2020	129,784,045	59,877,819	\$3,104,485

## NOTE 13: SHARE BASED PAYMENTS

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

	Ordinary Shares	Performance Shares	Amount
Annabelle	100,000	-	\$20,000
Anthony So	282,305	-	\$56,461
Beale Services Trust	225,564	-	\$36,090
Trading Wisdom	12,500	-	\$2,500
Total			\$115,051

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

## NOTE 14: PAYMENTS TO OFFICEHOLDERS &amp; ASSOCIATES

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

	Directors Fees	Salaries	Consulting Fees	Accounting Services	Total
Andy Taylor/Digital Bakery Australia Trust	\$88,520	\$202,500	-	-	\$291,020
Mark Taylor/Kickr Pty Ltd	-		\$185,640	-	\$185,640

## NOTE 15: RELATED PARTY TRANSACTIONS

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

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 Technologies Limited	Dough Labs Pty Ltd	Dough USA LLC	Dough (Australia) Pty Ltd	Total
Loan - Dough Technologies Limited	-	(\$2,634,504)	-	\$100	(\$2,634,404)
Loan - Dough Labs Pty Ltd	\$2,634,504	-	(\$272,156)	-	\$2,362,348
Loan - Dough (Australia) Pty Ltd	(\$100)				(\$100)
Loan - Dough USA LLC	-	\$272,156	-	-	\$272,156
	\$2,634,404	\$2,362,348	(\$272,156)	\$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	
	2020	2019
	\$	\$
<b>Reconciliation of Cash Flow from Operations with Loss after Income Tax</b>		
(Loss) after income tax	(1,299,600)	(1,550,285)
Non-cash flows in loss		
Depreciation expense	1,785	13,355
Share based payments	115,051	469,888
Finance costs accrued	17,983	16,840
Changes in assets and liabilities		
Increase in trade and other receivables	(277,254)	(348,858)
Increase in trade and other payables and accruals	102,097	207,101
Increase in provision for annual leave	48,393	6,890
Increase in unearned income	-	330,000
Decrease in other liabilities payables	-	-
Cash flow from operations	(1,291,545)	(855,069)



## NOTE 18: CONTROLLED ENTITIES

## Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		2020	2019
Parent Entity:			
Dough Technologies Limited (formerly Dough Limited)	Australia	n/a	n/a
Subsidiaries:			
Dough Labs Pty Ltd (formerly Dough Pty Ltd) – incorporated on 12 November 2015	Australia	100	100
Dough (Australia) Pty Limited – incorp. on 19 July 2016	Australia	100	100
Dough USA LLC - incorporated on 1 February 2017	USA	100	100
Dough Wealth LLC – incorporated on 21 August 2018	USA	100	100

\* Percentage of voting power is in proportion to ownership

## NOTE 19: CONTINGENT LIABILITIES

There are no known contingent liabilities for 2020.

## 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	
	2020	2019
	\$	\$
Cash in banks	172,136	649,105
Trade and other receivables	640,354	363,100
	<u>812,490</u>	<u>1,012,205</u>
Trade and other payables	705,541	603,444
Other liabilities	1,006,656	654,249
	<u>1,712,197</u>	<u>1,257,693</u>

Management assessed that there is no indication of impairment on the Groups's receivables as at 30 June 2020 and 2019.

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 2020 is as follows:

	Grade A	Grade B	Grade C	Total
Cash in banks	\$172,136	-	-	\$172,136
Trade and other receivables	-	\$640,354	-	\$640,354
	<u>\$172,136</u>	<u>\$640,354</u>	<u>-</u>	<u>\$812,490</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 2020 based on undiscounted contractual cash flows:

	Carrying Amount \$	Contractual Cash Flows \$	Less than 1 Year \$	More than 1 Year \$
<b>Financial Assets</b>				
Cash and cash equivalents	172,136	172,136	172,136	-
Trade and other receivables	640,354	640,354	640,354	-
	<u>812,490</u>	<u>812,490</u>	<u>812,490</u>	<u>-</u>
<b>Financial Liabilities</b>				
Trade and other payables	705,541	705,541	705,541	-
Other liabilities	1,006,656	1,006,656	1,006,656	-
	<u>1,712,197</u>	<u>1,712,197</u>	<u>1,712,197</u>	<u>-</u>

## NOTE 20: FINANCIAL RISKS MANAGEMENT (cont.)

*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 2020.

	In USD	In AUD
<b>Financial Assets</b>		
Cash and cash equivalents	-	-
<b>Financial Liabilities</b>		
Trade and other payables	\$90,051	\$131,213

## 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 2020:

	Carrying Amount \$	Fair Value \$
<b>Financial Assets</b>		
Cash and cash equivalents	172,136	172,136
Trade and other receivables	640,354	640,354
	<u>812,490</u>	<u>812,490</u>
<b>Financial Liabilities</b>		
Trade and other payables	705,541	705,541
Other liabilities	1,006,656	1,006,656
	<u>1,712,197</u>	<u>1,712,197</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 2020.

**NOTE 23: EVENTS AFTER BALANCE SHEET DATE**

As discussed in Directors' Report, at an Extraordinary General Meeting of the Company held on the 17<sup>th</sup> August 2020, the Shareholders unanimously agreed to the acquisition of all of the issued capital in the Company by Zip Tel Ltd and to make a selective reduction of capital, cancelling all of the Performance Shares in the Company. Further, a Performance Shareholders' Special General Meeting was held on the 17<sup>th</sup> August 2020 approving unanimously, For the cancellation of all of the Performance Shares held by the Performance Shareholders.

On the 17 September 2020 the Company changed its name from Dough Limited to Dough Technologies Limited.

On the 18 September 2020 the Company completed the Share Sale transaction and accordingly is a 100% owned subsidiary of Zip Tel Ltd.

Other than the above, there were no known 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 TECHNOLOGIES LIMITED - PARENT COMPANY INFORMATION**

	2020	2019
	\$	\$
<b>Parent entity</b>		
<b>Assets</b>		
Current assets	760	760
Non-current assets	2,752,813	2,333,786
Total assets	2,753,573	2,334,546
<b>Liabilities</b>		
Current liabilities	231,891	327,556
Non-current liabilities	-	-
Total liabilities	231,891	327,556
Net Assets	2,521,682	2,006,990
<b>Equity</b>		
Issued capital	3,104,485	2,456,101
Accumulated losses	(582,803)	(449,111)
Total Equity	2,521,682	2,006,990
<b>Financial performance</b>		
Loss for the year	133,692	449,111
Other comprehensive income	-	-
Total comprehensive income	133,692	449,111

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

DOUGH TECHNOLOGIES LIMITED & CONTROLLED ENTITIES  
ABN 94 609 270 475 | FINANCIAL STATEMENT YEAR ENDED 30 JUNE 2020

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## NOTE 25: COMPANY DETAILS AND PRINCIPAL PLACE OF BUSINESS

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

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

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## DIRECTORS' DECLARATION

The directors of the Group declare that:

1. In the opinion of the directors of Dough Technologies Limited
  - a. the consolidated financial statements and notes of Dough Technologies 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 20 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:  
  
5504E7BA4E9A4AD...  
Steve Bellotti  
Chairman  
Dated 25 September 2020

DocuSigned by:  
  
5393E748B2D1490...  
Andy Taylor  
CEO and Managing Director  
Dated 25 September 2020

# DOUGH TECHNOLOGIES LIMITED

A.C.N 620 721 342

## INDEPENDENT AUDITOR REPORT

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We have audited the accompanying financial report of Dough Technologies Limited and Controlled Entities ("the group"), which comprises the statement of financial position as at 30 June 2020, the statement of Profit and Loss and other comprehensive income, Statement of changes in equity and statement of cash flow for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the director's declaration.

### ***Directors' Responsibility for the Financial Statements***

The directors of the group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standard – Reduced disclosure Requirements and the corporation Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

### ***Independence***

In conducting our audit, 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 director of Dough Technologies Limited and Controlled Entities, would be in the same terms if given to the director as at the time of the auditor's report.



**DOUGH TECHNOLOGIES LIMITED**

**A.C.N 118 777 245**

**INDEPENDENT AUDITOR REPORT**

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***Basis for Qualified Auditor's Opinion***

***Previous Year Balance***

As we were appointed auditors of the group for the financial year ended 30 June 2020 we are unable to form an opinion on the previous year carried forward balances.

***Emphasis of Matter***

We draw attention to note 1 (a) in the financial report, which indicates that the group incurred a net loss of \$1,299,600 during the year ended 30 June 2020, and of that date, the group's total liabilities exceeds its total assets by \$899,707 and reflect net cash used in operating activities of \$1,291,545. These conditions, along with other matters as set forth in note 1 (a), indicate the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and, therefore, the group may be unable to realise its assets and discharge its liabilities in the normal course of business.

***Auditor's Opinion***

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Auditor's Opinion paragraphs, the financial report of Dough Technologies Limited and its Controlled Entities is in accordance with the corporation Act 2001, including:

- (a) giving a true and fair view of the group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
- (b) complying with the Australian Accounting Standard – Reduced Disclosure Requirements and the Corporation Act 2001.

Signed on: 28<sup>TH</sup> SEPTEMBER, 2020.



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Tony Khoury, Partner

**T A Khoury & Co**

**Chartered Accountant**

59 George Street, Burwood NSW 2134