BYTE POWER
Group Limited

ANNUAL REPORT

30 June 2022

ABN: 80 009 268 571

CONTENTS

CHAIRMAN’S REPORT

Byte Power Group Limited ('the Company') and its controlled entities ('the Group') present its financial report for the period ended 30 June 2022.

Revenues from ordinary activities in the financial year ended 30 June 2022 were nil compared to $0.04m in the financial year ended 30 June 2021. This decline was largely due to company resources being focused on the development of the Singapore cryptocurrency exchange and the continued economic difficulties seen in many market sectors caused by the COVID-19 outbreak.

During the year $1.9m of funds were raised through the issue of shares of the Company’s Singapore subsidiary, Singapore Digital Exchange Pte Ltd, as the Group focuses its attention to grow SDX’s cryptocurrency exchange, corporate finance and other services. The Group also divested shares in SDX that discharged $3.8m of debt owing to related parties. The Group made a loss from continuing operations before tax of $3.0m for the full 2022 financial year.

The Group has continued to progress on the development of its Singapore Cryptocurrency Exchange both in the areas of business development and in the regulatory licensing front.

Outlook

Over the next 12 months, the Group will continue to make progress in obtaining the regulatory approvals for the cryptocurrency exchange in Singapore and explore other revenue opportunities in the digital cryptocurrency/blockchain sector.

Alvin Phua
Executive Chairman & CEO

DIRECTORS' REPORT

The directors submit their report on Byte Power Group Limited ("the company", "BPG") consisting of Byte Power Group Limited and the entities it controlled ("the Group") at the end of, or during, the year ended 30 June 2022.

Directors

Directors were in office for the entire year and up to the date of this report unless otherwise stated.

Information on Directors (including special responsibilities)

Director	Qualifications and experience	Special responsibilities	Interest in shares and options
Mr. Alvin Phua	Alvin is a Singaporean-born Australian. As a founder of Byte Power in 1989, Alvin has key business and government relationships throughout Australia and South-East Asia.	Executive Chairman & CEO Chairman of Remuneration Committee	634,477,395 ordinary shares, Nil options
Mr. William Yuen	William is based in Hong Kong and has over 40 years' experience in both senior management and Board positions in large conglomerates in Hong Kong. These conglomerates have diversified interest in many businesses including logistics, distribution, aviation, cosmetics and wine production.	Non-Executive Director Chairman of Audit Committee	23,959,021 ordinary shares, Nil options
Mr. Yano Lim	Yano has over 20 years' experience as a Business Analyst for large corporations reviewing business processes, change management and systems enablement. His strong Business Analytical skills and experience in various overseas environments such as Australia, New Zealand, Indonesia, Papua New Guinea and the United States of America brings valuable insight to the Group.	Non-Executive Director Member of Remuneration Committee Member of Audit Committee	54,425,000 ordinary shares, Nil options
Mr. Michael Wee	Michael is a successful self-employed businessman who provides digital multimedia services (web and print content) to the Print and Design sectors. Prior to running his own business Michael held various management positions in IT Consulting businesses.	Non-Executive Director Member of Remuneration Committee Member of Audit Committee Company Secretary	Nil shares, Nil options

DIRECTORS' REPORT (continued)

Company Secretary

The company secretary is Michael Wee.

Dividends

The Directors have determined that there will be no payment of a dividend for the year ended 30 June 2022 (2021: Nil).

REVIEW AND RESULTS OF OPERATIONS

Summary

For the year ended 30 June 2022, the Group reports a loss from continuing activities before tax of $2.9m compared to last year's reported loss of $0.74m.

EBITDA for the year was $3.26m compared to an EBITDA loss of $0.09m the previous year.

Revenues from continuing activities in the financial year ended 30 June 2022 were nil compared to $0.04m in the financial year ended 30 June 2021.

Significant Changes in the State of Affairs

There were no significant changes in the state of affairs of the Group during the period.

Significant Events after Balance Date

Subsequent to balance date, Byte Power Group Ltd sold 1,197 shares in its subsidiary, Singapore Digital Exchange Pte Ltd ('SDX'), successfully raising US$347,269 through to December 2023, representing 0.53% of the company, as at December 2023. The capital raise was used to provide working capital to further the development of its cryptocurrency exchange.

Subsequent to balance date, one of the non-trading subsidiaries of the Byte Power Group, Byte Power (Hong Kong) Ltd, was voluntarily wound up, as this entity was non-core to the Group's business.

There are no other matters or circumstances that have arisen since 30 June 2022 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely Developments and Expected Results

BPG will continue to explore new and existing business opportunities to realise the value of its Cryptocurrency Exchanges.

Environmental Regulation and Performance

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

Rounding of amounts

The company is of kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investment Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest dollar.

Indemnity and insurance of officers

The company has not indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

REVIEW AND RESULTS OF OPERATIONS (continued)

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the company

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

Share Options

There were no listed and unlisted options as at 30 June 2022.

Shares issued as a result of the exercise of options

During the financial year no options were exercised.

REVIEW AND RESULTS OF OPERATIONS (continued)

Directors' Meetings

The number of meetings of the Company's Board of directors held (including meetings of committees of directors) during the year ended 30 June 2022 and the numbers of meetings attended by each director were:

	Directors' meeting		**Audit committee**		**Remuneration committee**	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Alvin Phua	5	5	-	-	-	-
William Yuen	5	5	-	-	-	-
Yano Lim	5	5	-	-	-	-
Michael Wee	5	5	-	-	-	-

Auditor

PKF Brisbane Audit continues in office in accordance with Section 327 of the *Corporation Act 2001*.

There are no former partners or directors of the company's auditor, or former auditor, who is or was at any time during the year an officer of the company.

Auditor Independence

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 6.

Signed in accordance with a resolution of the directors.

Alvin Phua
Executive Chairman & CEO

Brisbane, 29 February 2024

PKF Brisbane Audit
ABN 33 873 151 348
Level 2, 66 Eagle Street
Brisbane, QLD 4000
Australia

+61 7 3839 9733
brisbane@pkf.com.au
pkf.com.au

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BYTE POWER GROUP LIMITED

I declare that, to the best of my knowledge and belief, during the year ended Thursday, 30 June 2022, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

PKF

PKF BRISBANE AUDIT

SHAUN LINDEMANN
PARTNER

BRISBANE
29 FEBRUARY 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

	Note	**30 JUNE 2022** $	30 JUNE 2021 $
Revenues			
Revenues	2	**416,200**	37,245
Cost of goods sold		**(8,158)**	(12,620)
Gross profit		**408,042**	24,625
Other income	3	**4,806,044**	861,179
Depreciation and amortisation expenses	4	**(63,248)**	(39,898)
Finance cost expenses	4	**(212,524)**	(617,216)
Salaries and employee benefits expenses		**(202,755)**	(62,048)
Directors' fees		**(505,096)**	(372,937)
Rent and outgoings		**(37,844)**	(93,393)
Travel, accommodation and entertainment		**(167,360)**	(129,852)
Consultants and professional fees		**(956,600)**	(267,251)
Other expenses	4	**(84,810)**	(47,662)
Profit / (loss) before related income tax		**2,983,849**	(744,452)
Income tax (expense) / benefit		**-**	-
Profit / (loss) for the year		**2,983,849**	(744,452)
Total profit/ (loss) attributable to:			
Owners of Byte Power Group Limited		**3,361,826**	(688,546)
Non-controlling interests		**(377,977)**	(55,906)
		2,983,849	(744,452)

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2022

(continued)

	30 JUNE 2022	30 JUNE 2021
	$	$
Other comprehensive income		
Items that may be reclassified to profit or loss:		
Exchange differences arising on translation of foreign operations	**(35,037)**	6
Total other comprehensive income for the year, net of tax	**(35,037)**	6
Total comprehensive income after tax	**2,948,812**	(744,446)
Total comprehensive income attributable to:		
Owners of Byte Power Group Limited	**3,338,050**	(688,540)
Non-controlling interests	**(389,238)**	(55,906)
	2,948,812	(744,446)

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	30 JUNE 2022 $	30 JUNE 2021 $
CURRENT ASSETS			
Cash and cash equivalents	7	**96,444**	45,899
Receivables	8	**-**	-
Intangible assets - cryptocurrency	9	**-**	279,714
TOTAL CURRENT ASSETS		**96,444**	325,613
NON-CURRENT ASSETS			
Plant and equipment	10	**-**	-
Intangible assets – software development	11	**795,747**	310,666
Lease – right of use asset		**53,068**	-
Other	12	**27,128**	26,590
TOTAL NON-CURRENT ASSETS		**875,943**	324,856
TOTAL ASSETS		**972,387**	662,869
CURRENT LIABILITIES			
Trade and other payables	13	**2,996,945**	2,975,037
Related party payables	14	**332,472**	597,724
Interest bearing liabilities (related parties)	15	**-**	1,048,715
Provisions	16	**193,398**	285,011
Lease liabilities		**24,903**	-
TOTAL CURRENT LIABILITIES		**3,547,418**	4,906,487
NON-CURRENT LIABILITIES			
Convertible loans	17	**886,800**	1,263,965
Related party payables	18	**240,878**	185,242
Interest bearing liabilities (related parties)	15	**-**	2,724,672
Lease liabilities		**30,841**	-
TOTAL NON-CURRENT LIABILITIES		**1,158,519**	4,173,879
TOTAL LIABILITIES		**4,706,237**	9,080,366
NET LIABILITIES		**(3,733,850)**	(8,417,497)
EQUITY			
Contributed equity	19	**53,944,922**	53,944,922
Reserves	20	**(115,600)**	(80,563)
Accumulated losses		**(60,216,353)**	(63,578,179)
EQUITY ATTRIBUTED TO OWNERS OF BYTE POWER GROUP LTD		**(6,387,031)**	(9,713,820)
NON-CONTROLLING INTERESTS		**2,653,181**	1,296,323
TOTAL EQUITY		**(3,733,850)**	(8,417,497)

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2022

	Contributed equity $	Reserves $	Accumulated losses $	Non-Controlling Interest $	Total $
Balance at 1 July 2020	53,944,922	(80,569)	(62,889,633)	-	(9,025,280)
Loss for the year	-	-	(688,546)	(55,906)	(744,452)
Total other comprehensive income	-	6	-	-	6
Total comprehensive income	-	6	(688,546)	(55,906)	(744,446)
Shares issued during the year	-	-	-	1,352,229	1,352,229
Sub-total	53,944,922	(80,563)	(63,578,179)	1,296,323	(8,417,497)
Transactions with equity holders in their capacity as equity holders:					
Dividends paid or provided for	-	-	-	-	-
Balance at 30 June 2021	**53,944,922**	**(80,563)**	**(63,578,179)**	**1,296,323**	**(8,417,497)**
Balance at 1 July 2021	53,944,922	(80,563)	(63,578,179)	1,296,323	(8,417,497)
Opening balance adjustment[1]	-	-	-	(104,844)	(104,844)
Profit / (Loss) for the year	-	-	3,361,826	(377,977)	2,983,849
Total other comprehensive income	-	(35.037)	-	-	(35,037)
Total comprehensive income	-	(35,037)	3,361,826	(377,977)	2,948,812
Shares issued during the year	-	-	-	1,839,679	1,839,679
Sub-total	53,944,922	(115,600)	(60,216,353)	2,653,181	(3,733,850)
Transactions with equity holders in their capacity as equity holders:					
Dividends paid or provided for	-	-	-	-	-
Balance at 30 June 2022	**53,944,922**	**(115,600)**	**(60,216,353)**	**2,653,181**	**(3,733,850)**

Note 1: After the conclusion of the FY22 group audit, the auditors of the company's subsidiary, Singapore Digital Exchange Pte Ltd ('SDX'), have proposed adjustments during local audit procedures, which impacted the opening balance of the equity account as highlighted above.

The accompanying notes form part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

		CONSOLIDATED	
	Note	**2022 $**	2021 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		**1,576,318**	4,046
Payments to suppliers and employees		**(2,347,327)**	(1,863,163)
Proceeds from Government grants		**-**	30,000
Interest and other costs of finance paid		**(212,524)**	-
Net cash (used in) operating activities	21	**(985,532)**	(1,829,117)
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for intangible assets		**(524,979)**	-
Proceeds from disposal of cryptocurrency assets		**279,714**	-
Proceeds from partial disposal of subsidiary		**-**	1,867,157
Net cash provided by / (used in) investing activities		**(245,265)**	1,867,157
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of subsidiary share capital		**1,839,679**	-
Repayment of borrowings		**(377,166)**	-
Repayment of lease liabilities		**(20,674)**	-
Net cash provided by financing activities		**1,314,378**	-
Net increase in cash held		**85,580**	38,040
Effects of functional currency exchange rate change		**(35,035)**	-
Cash at beginning of year		**45,899**	7,859
Cash at end of year	7	**96,444**	45,899

The accompanying notes form part of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. Summary of Significant Accounting Policies

The financial report includes the consolidated financial statements and notes of Byte Power Group Limited ("the Company") and its controlled entities ("the Group"). The entity is a for profit entity for financial reporting purposes under Australian Accounting Standards.

The financial report is presented in Australian dollars, which is the Group's functional and presentation currency.

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

(a) Basis of Accounting

This general-purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Compliance with IFRSs

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards as issued by the IASB.

Going Concern

This financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of assets and discharge of liabilities in the ordinary course of business.

The consolidated entity has made a profit from continuing operations before tax of $2,983,849 for the year ended 30 June 2022 (2021: loss of $744,452). However, the group recorded net operating cash outflow of $985,532 (2022 $1,829,117) for the year ended 30 June 2022, and was in a net current asset deficiency position of $3,450,976 and net asset deficiency position of $3,733,850 as at 30 June 2022 (2021: net current asset deficiency of $4,580,874 and net asset deficiency position of $8,417,497).

The ability of the consolidated entity to continue as a going concern will depend on the ongoing support of its financiers, existing shareholders, creditors and through the generation of future operating profits and cash inflows.

It is worth highlighting the following in relation to the recorded net current liability position as at 30 June 2022:

- Included in recorded current liabilities, are related party liabilities totalling $525,869 which make up approximately 15% of the current liabilities recorded at 30 June 2022. These liabilities may not require cash settlement over the next 12 months;
- As outlined in Note 26, subsequent to balance date the Group, via sale of its subsidiary Byte Power X Singapore Pte Ltd shares, has raised US$347,269 and is actively looking to secure further equity investment.

1. Summary of Significant Accounting Policies (continued)

Notwithstanding the above, the continuation of the consolidated entity as a going concern is dependent upon its ability to achieve the following:

- The continued support of major creditors and loans from the major shareholders. Included in the total liabilities are $766,748 of balances relating to related parties of which the Directors have the ability to defer the timing of settlement, if necessary;
- Obtaining an overdraft or working capital facility to assist the consolidated entity to pay its debts on a timely basis;
- Obtaining additional equity in the form of capital raising or longer-term debt to enable the Group to fund operating and investing activities and cash flow requirements;
- Obtaining additional working capital in the form of cash receipts from the sale of other assets of the consolidated entity including the sale of BPX tokens to enable the consolidated entity to fund operating and investing activities cash flow requirements; and
- The generation of future profits by the underlying businesses.

It is on the basis of the Group's ability to secure the above arrangements, facilities and the generation of future profits, that the Directors have prepared the financial report on a going concern basis. In the event that the above arrangements and facilities are not entered into, there is significant uncertainty as to whether the Group will continue as a going concern and, therefore, whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The final report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

(b) Principles of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

1. Summary of Significant Accounting Policies (continued)

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable AASBs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

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 that they were controlled. A list of controlled entities is contained in Note 28 to the financial statements.

(c) Income Tax

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

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

1. Summary of Significant Accounting Policies (continued)

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where (a) a legally enforceable right of set-off exists and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on the purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; *and*
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on the gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

(e) Foreign currency transactions and balances

i. Functional and presentation currency

The functional currency of the controlled 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 entity's functional and presentation currency.

ii. Transactions 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 Consolidated Statement of Comprehensive Income.

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 Consolidated Statement of Comprehensive Income.

iii. Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of the balance sheet

1. Summary of Significant Accounting Policies (continued)

- income and expenses for each Income Statement and Statement of Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange difference are recognised in other comprehensive income

On consolidation, exchange differences arising from the transaction of any net investment in foreign entities and of borrowings are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(f) Revenue Recognition

Revenue is recognised to the extent that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods
Revenue is recognised when control of the goods has transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled. Control of the goods transfers to the customer at the point when the goods are delivered to the customer.

(ii) Sale of services
Maintenance revenue represents non-refundable maintenance fees earned. Revenue and is recognised as the service is provided.

(iii) Sale of BPX tokens
Sale of BPX utility tokens are recognised for the face value of consideration received once the token has been issued. Upon sale, a value for the utility attached to the token, which is an ability for the token holder to obtain discount on trading fees (ranging from 10% -40%), is derived and that component of the token sale revenue is deferred and recorded as deferred income.

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

(g) Receivables

All trade debtors are recognised at the amounts receivable as they are due for settlement no more than 90 days from the date of recognition.

Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debts is raised where collection of the amount is no longer probable.

(h) Inventories

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Costs are determined on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated cost necessary to make the sale.

(i) Impairment

Assets with an indefinite useful life are not amortised but are tested annually for impairment or whenever there is an indication of impairment. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. Summary of Significant Accounting Policies (continued)

(j) Investments

All non-current investments are carried at the lower of cost and recoverable amount.

(k) Plant and Equipment and Depreciation

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. A formal assessment of recoverable amount is made when impairment indicators are present.

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 asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The expected useful lives are as follows:

Plant and equipment	3 to 5 years
Motor vehicles	4 to 5 years
Office furniture and equipment	3 to 8 years

(l) Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods received, whether or not billed to the Group. Trade creditors are due for settlement no more than 30 to 60 days from the date of recognition.

Payables to related parties are carried at the principal amount. Interest, when charged by the lender is recognised as an expense on an accrual basis.

(m) Interest - Bearing Liabilities

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest, where applicable, is accrued over the period it becomes due and is recorded as part of the related loan.

(n) 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.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

(o) Employee benefits

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, sick leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts, based on remuneration rates which are expected to be paid when the liability is settled.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. Summary of Significant Accounting Policies (continued)

Employee benefits expenses and revenues arising in respect of the following categories:

- Wages and salaries, non-monetary benefits, annual leave, long service leave, and other leave benefits; *and*
- Other types of employee benefits are charged against profits on a net basis in their respective categories.

In respect of the Group, any contributions made to externally managed superannuation funds by entities within the Group are charged against profits when due.

(p) Cash and cash equivalents

Cash and cash equivalents include cash on hand and in banks, and short-term deposits.

For the purposes of the Consolidated Statement of Cash Flows, cash includes cash on hand and in banks, and short-term deposits.

Bank overdrafts are carried at the principal amount. Interest is charged as an expense as it accrues.

(q) Contributed Equity

Issued and paid up capital is recognised at fair value of the consideration received by the company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity or as a reduction of the share proceeds received.

(r) Intangible Assets – Software Development

Costs incurred in developing products or systems and costs incurred in acquiring software or licences that will contribute to future period financial benefits through revenue generation and / or cost reduction are capitalised as an intangible asset – software development. Similarly costs incurred on development projects (related to the design or testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and deliver future economic benefits and its costs can be measured reliably. Amortisation commences on capitalised costs upon project completion and the point at which the asset is ready for use. Research expenditure is expensed as incurred.

The software development intangible costs have an estimated useful life of 10 years. Amortisation has been applied on a straight-line basis.

(s) Intangible Assets – Cryptocurrency

Cryptocurrencies are indefinite life intangible assets initially recognised at cost. Cryptocurrencies are subsequently measured at fair value by reference to the quoted price in the appropriate active cryptocurrency market.

Increases in the fair value of the assets are credited to a revaluation reserve in equity. Decreases that offset previous increases are recognised against the revaluation surplus in equity with all other decreases being recognised in the profit and loss.

On disposal of cryptocurrencies the cumulative revaluation surplus associated with those currencies is transferred directly to retained earnings.

(t) Financial Instruments

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either purchase or sell the asset (i.e. trade date accounting is adopted).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. Summary of Significant Accounting Policies (continued)

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Impairment

The entity uses simplified approach to impairment, as applicable under AASB 9: Financial Instruments. The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

In measuring the expected credit loss, a provision matrix for trade receivables is used, taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

(u) New and Amended Accounting Standards and Interpretations adopted by the Group

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

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

(v) Critical Accounting estimates and judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates & Key Judgements:

(i) Tax Losses not brought to account

The Group is subject to income taxes in numerous jurisdictions. The determination of the Group's provision for income tax as well as deferred tax assets and liabilities involves significant judgements and estimates on certain matters and transactions, for which the ultimate outcome may be uncertain. If the final outcome differs from the Group's estimates, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

1. Summary of Significant Accounting Policies (continued)

(ii) Provision for Doubtful Debts

The recognition of provisions involves assumptions about the probability, amount and timing of the inflow of resources embodying economic benefits. A provision is recognised to the extent that an inflow of economic benefits is probable, and a reliable estimate can be made. Due to the aging of Trade Debtors as at 30 June 2022, and the nature of the receivables, the Directors have elected to fully impair the receivable balance per Note 8.

(iii) Valuation and Classification of Cryptocurrency

Valuation of Cryptocurrency

The value of Cryptocurrency is measured at fair value using the quoted price at balance date obtained from Coinmarketcap, translated from its denominated USD rate to an AUD rate. Coinmarketcap is the leading data aggregator of cryptocurrency exchange data in the cryptocurrency industry and aggregates data from global cryptocurrency exchanges that are listed with Coinmarketcap.

This is considered to represent a quoted price in an active market for identical assets. Management has selected Coinmarketcap as it is regarded as the most reputable source of current and historic pricing of cryptocurrencies based on trading volume and pricing from many of the largest global exchanges and uses an algorithm to determine the most accurate price of these cryptocurrencies. The aggregation of trading data provides appropriate size and liquidity to provide reliable evidence of fair value for the size and volume of transactions that are reasonably contemplated by the Group.

Classification of Cryptocurrency

Cryptocurrencies are considered to be identifiable non-monetary assets without physical substance. The Group has determined that cryptocurrencies held are treated as intangible assets under the scope of AASB138: *Intangible Assets*.

Cryptocurrency held have been classified as a current intangible asset as it is expected that management will substantially dispose of or liquidate the coins held during the twelve months from balance date. This assumption relies on the ability of the Group to obtain acceptance of the cryptocurrency in securing extinguishment of creditors and to liquidate the coins to other cash and cash equivalents. There is inherent risk associated with both of these activities due to the acceptance of cryptocurrency by market participants, and the ability of the Group to liquidate coins for an acceptable price on an exchange where significant volumes are not currently traded.

(iv) Deferred revenue from BPX token sales

Judgement and estimates are required in determining the deferred portion of proceeds from sale of BPX tokens. Management estimates that 25% of the commissions generated from the BPX exchange will be from BPX token holders at an average discount per token holder of 30%.

(w) Share-based Payments

Share-based payments are recognised based on the last traded price of shares on the Australian Stock Exchange (up until the de-listing of the Company), at the grant date or on the date the Notice of Meeting was finalised. Where the share-based payments give rise to the issue of new share capital, the fair value determined for the share capital issued in lieu of cash payments, is credited to share capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 $	2021 $

2. *Revenue*

	2022 $	2021 $
Revenue		
Revenue from sale of goods	**-**	4,046
Revenue from BPX token sales	**-**	33,199
Revenue from sale of cryptocurrency	**416,200**	-
Total revenues	**416,200**	37,245

3. *Other income*

	2022 $	2021 $
Gain on sale of shares in Subsidiary	**4,673,987**	563,796
Proceeds from Government Grants	**-**	30,000
Proceeds from sale of cryptocurrency	**416,200**	-
FX gains and other income	**132,057**	267,383
Total revenues from continuing activities	**5,222,244**	861,179

4. *Expenses*

Included in expenses are the following items:

	2022 $	2021 $
Amortisation of leasehold assets	**23,350**	-
Amortisation of software development	**39,897**	39,898
Total depreciation and amortisation expenses	**63,248**	39,898
Finance costs		
- Interest expense – director related entity	**86,124**	445,313
- Other borrowing costs	**126,400**	171,903
Total finance costs	**212,524**	617,216

5. Income Tax Expense

	2022 $	2021 $
The prima facie tax, on operating loss differs from the income tax provided in the financial statements as follows:		
Profit / (loss) for the year	**3,057,779**	(744,452)
Prima facie tax on profit / (loss) from continuing operations at 25% (2021: 26%)	**764,445**	(193,558)
Tax effect of profit / losses of current period not brought to account	**(764,445)**	193,558
Tax losses utilised	**-**	-
Income tax expense / (benefit)	**-**	-
Unused tax losses for which no deferred tax asset has been recognised	**39,920,167**	40,684,612
Potential tax benefit at 25%	**9,980,042**	10,577,999

All unused tax losses were incurred by Australian entities. A deferred tax asset relating to available income tax losses will only be recognised if:

a) Future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
b) The conditions for deductibility imposed by tax legislation continue to be complied with; and
c) No changes in tax legislation adversely affect the Group in realising the benefit.

Byte Power Group Limited and its wholly owned Australian controlled entities have decided to implement the tax consolidation legislation as of 27 November 2002. The Australian Taxation Office has been notified of this decision.

6. Parent entity financial information

	PARENT ENTITY	
	2022 $	2021 $
Current assets	**32,070**	234
Total assets	**253,494**	14,424
Current liabilities	**2,773,821**	2,686,704
Total liabilities	**16,223,640**	19,888,463
Contributed equity	**53,114,922**	53,114,922
Reserves	**(60,125)**	(60,125)
Accumulated losses	**(69,024,093)**	(72,928,836)
	(15,970,146)	(19,874,039)
Net profit/(loss)	**3,909,682**	(243,202)
Total comprehensive income	**3,909,682**	(243,202)

Financial guarantees

The Parent entity has provided no financial guarantees.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022

6. Parent entity financial information (continued)

Contingent liabilities

The Parent entity has not provided for any contingent liabilities for the year ending 30 June 2022. There were no contingent liabilities for the year ended 30 June 2021.

Commitments
The Parent entity entered into a Commercial Tenancy Agreement for its headquarters situated at 5B, 243 Edward Street, Brisbane. The term of the Agreement is 3 years commencing on the 1st July 2021. The annual rental is $53,148 gross + GST and is subject to an annual rent review including an increase of rental of 3% per annum or CPI (whichever is greater).

Going Concern
Refer to Note 1(a) for a summary of the basis upon which the Directors believe the going concern assumption is appropriate. This analysis also applies the Parent Entity.

	2022 **$**	2021 $
7. Current Assets - Cash and Cash Equivalents		
Cash at bank	**96,444**	45,899

8. Current Assets - Receivables

Soar Labs Pte Ltd settlement receivables	**171,905**	171,905
Prepayments	**1,203,315**	1,203,315
Trade debtors	**3,017,953**	3,017,953
Provision for impairment	**(4,393,173)**	(4,393,173)
	-	-

On a geographic basis, the Group has significant credit risk exposures to China and Singapore given the substantial operations in the region. The Group's exposure to credit risk for receivables at reporting date to those regions is as follows.

Australia	**3,711**	3,711
Singapore	**171,905**	171,905
China	**4,217,557**	4,217,557
Provision for impairment	**(4,398,173)**	(4,398,173)
	-	-

Provision for impairment of receivables
Current trade receivables are non-interest-bearing loans and generally on 90-day terms. A provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in the other expenses item. Movement in the provision for impairment of receivables is as follows (refer to policy in Note 1 (v)(ii)).

8. Current Assets - Receivables (continued)

	Opening balance	**Charge for year**	**Provision no longer required**	**Closing balance**
	$	$	$	$
2022	**4,398,173**	**-**	-	**4,398,173**
Provision for impairment				
2021				
Provision for impairment	4,398,173	-	-	4,398,173

Credit Risk – trade and other receivables

The following table details the Group's trade and other receivables exposed to credit risk with aging analysis and impairment provided for thereon. Amounts are considered 'past due' when the debt has not been settled with the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining the debtors and are provided for where there are specific circumstances indicating that the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group. The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross	**Past due and impaired**	**Past due but not impaired (days overdue)**				**Within trade terms**
			< 30 days	**31 - 60 days**	**61 - 90 days**	**> 90 days**	
	$	**$**	**$**	**$**	**$**	**$**	**$**
2022							
Trade receivables	**4,398,173**	**4,398,173**	**-**	**-**	**-**	**-**	**-**
2021							
Trade receivables	4,398,173	4,398,173	-	-	-	-	-

Neither the Group nor the parent entity holds any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

9. Intangible Assets - Cryptocurrency

	2022	2021
Number of Soar Coins:	**Number**	Number
Opening balance	**-**	-
Additions	**-**	-
Disposals or other (refer to Note 3)	**-**	-
Closing balance	**-**	-

Number of Bitcoins/other coins:	**Number**	Number
Opening balance	**5.9**	-
Additions	**-**	5.9
Disposals or other (refer to Note 3)	**(5.9)**	-
Closing balance	**-**	5.9

	2022 $	2021 $
Valuation of Cryptocurrency:		
Opening balance	**279,713**	-
Additions	**-**	279,713
Disposals	**(279,713)**	-
Revaluation	**-**	-
Closing Balance	**-**	279,713

Please refer to Note 1 (s)

10. Plant and Equipment

Plant and equipment:		
At cost	**8,000**	8,000
Less: Accumulated depreciation	**(8,000)**	(8,000)
	-	-
Office furniture and equipment:		
At cost	**39,136**	114,843
Less: Accumulated depreciation	**(39,136)**	(114,843)
	-	-
Leased assets:		
At cost	**-**	36,500
Less: Accumulated depreciation	**-**	(36,500)
	-	-
Total plant and equipment	**-**	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

10. Plant and Equipment (continued)

(a) Reconciliations

Reconciliations of the carrying amounts of plant and equipment at the beginning and end of the current and previous financial year.

	2022 $	2021 $
Plant and equipment		
Carrying amount at beginning	**-**	**-**
Disposals	**-**	**-**
Depreciation expense	**-**	**-**
	-	**-**
Office furniture and equipment		
Carrying amount at beginning	**-**	-
Additions	**-**	-
Depreciation expense	**-**	-
	-	-
Leased assets		
Carrying amount at beginning	**-**	-
Disposals	**-**	-
Amortisation expense	**-**	-
	-	-

11. Intangible Assets - Software Development

Software Development costs – Cryptocurrency Exchange development	**933,235**	408,256
Less: Accumulated depreciation	**(137,488)**	(97,590)
	795,747	310,666

12. Other (non-current)

Security deposits	**14,190**	26,590
Deposits - overseas	**12,938**	-
	27,128	26,590

13. Trade and other payables

Trade creditors	**557,895**	825,637
Other creditors	**2,439,050**	2,149,400
	2,996,945	2,975,037

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

	2022 $	2021 $

14. Related Party Payables (current)

	2022 $	2021 $
Unsecured		
Payable to Director/related entities	**332,472**	597,724

Further information relating to loans from related parties is set out in Note 26.

15. Interest Bearing Liabilities (related parties)

	2022 $	2021 $
Current Liabilities (Unsecured loans from director or director related entities)	**-**	1,048,715
Non-current Liabilities (Unsecured loans from director related entities)	**-**	2,724,672

Further information relating to loans from related parties is set out in Note 26.

16. Provisions

	2022 $	2021 $
Balance at 1 July	**285,011**	284,852
Additional provisions	**11,077**	2,807
Amount used	**(102,690)**	(2,648)
Balance as at 30 June (*)	**193,398**	285,011

(*) Provisions includes a total of $193,398 entitlements owed to related parties.

17. Convertible Loans

	2022 $	2021 $
Loans – Unsecured converting loans (Non-current liability)	**886,800**	1,263,965

The converting loans bear interest between 8% and 10% per annum.

No collateral is required.

	2022 $	2021 $

18. Related Party Payables (non-current)

Unsecured		
Payable to Director related entity	**240,878**	185,242

Further information relating to loans from related parties is set out in Note 26.

19. Contributed Equity

(a) Issued capital

Ordinary shares fully paid	**53,944,922**	53,944,922

	Notes	**2022** Number of Shares	**2022** $	2021 Number of Shares	2021 $
(b) Movements in ordinary share capital:					
Beginning of the financial year		**3,065,069,989**	**$53,944,922**	3,065,069,989	$53,944,922
Additions		**-**	**-**	-	-
End of the financial year		**3,065,069,989**	**$53,944,922**	3,065,069,989	$53,944,922

(c) Terms and conditions of contributed equity

Ordinary shares
Ordinary shares have the right to receive dividends as declared and in the event of winding up the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of amounts paid up on shares held.

Ordinary shares entitle their holder to one vote, either in person or by proxy, at a meeting of the company.

(d) Options on Issue

There were no unlisted options on issue as at 30 June 2022.

(e) Capital risk management

The Group’s objectives when managing capital are to safeguard its ability to continue as a going concern, so that they can continue to provide returns for shareholders, benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

(e) Capital risk management (continued)

The capital structure of the company includes cash and cash equivalents, equity attributable to equity holders, comprising of contributed equity, reserves and accumulated losses. In order to maintain or adjust the capital structure, the company may issue new shares, sell assets to reduce debt or adjust the level of activities undertaken by the Group.

The Group monitors capital on the basis of cash flow requirements for operational and finance commitments. The Group's exposure to borrowings as at 30 June 2022 totals $5,037,352 (2021: $5,037,352). The Group will continue to use capital market issues to satisfy anticipated funding requirements. The Group's strategy to capital risk management is unchanged from prior years.

20. Reserves

	2022 $	2021 $
Foreign currency translation reserve	**(115,600)**	(80,563)

Foreign currency translation reserve - The foreign currency translation reserve records exchange differences arising on translation of foreign controlled entities.

21. Cash Flows Statement Information

(a) Reconciliation of Operating Loss After Income Tax to Net Cash Flows Used in Operations

	2022 $	2021 $
Profit / (loss) from ordinary activities after income tax	**2,983,849**	(744,452)
Adjustment for:		
Amortisation and depreciation of non-current assets	**63,248**	39,898
Other adjustments	**22,616**	-
Change in assets and liabilities		
Decrease/(increase) in inventories	-	25,370
Decrease/(increase) in other assets	**(538)**	(4,613)
(Decrease)/increase in trade and other creditors	**(187,707)**	(1,145,479)
(Decrease)/increase in borrowings	**(3,773,387)**	-
(Decrease)/increase in provisions	**(91,613)**	159
Net cash flow provided by/(used in) operating activities	**(985,532)**	(1,829,117)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

22. Remuneration of Auditors

	2022 $	2021 $
Audit and review of financial reports	**33,500**	31,900

23. Commitments and Contingent Liabilities

The Group entered into a Commercial Tenancy Agreement for its headquarters situated at 5B, 243 Edward Street, Brisbane. The term of the Agreement is 3 years commencing on the 1st July 2021. The annual rental is $53,148 gross + GST and is subject to an annual rent review including an increase of rental of 3% per annum or CPI (whichever is greater).

In 2017, the Group successfully negotiated the settlement of short and long-term liabilities at a discounted rate provided that the Group complied with payment terms outlined in the agreement. The Group renegotiated the payment terms during 2019. Should the Group be unable to comply with the payment terms in the amended agreement, the Group may be liable for the original full liability or a renegotiated amount. The Directors are not able to reliably determine the extent of any additional liability at this point, should non-compliance occur.

24. Related Parties and Key Management Compensation

(i) Key Management Personnel

The following persons were key management personnel of Byte Power Group Limited during the year:

A Phua	Executive Chairman & CEO
W Yuen	Non-Executive Director
Y Lim	Non Executive Director
M Wee	Non Executive Director & Company Secretary

(ii) Key Management Personnel Compensation

	2022 $	2021 $
Short term employee benefits	**410,984**	353,272
Post employment benefits	**-**	-
	410,984	353,272

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

24. Related Parties and Key Management Compensation (continued)

(iii) Interests in Controlled Entities

Name of Entity	Country of incorporation	Class of Shares	Equity holdings	
			2022 %	2021 %
Byte Power Pty Ltd*	Australia	Ordinary	**100**	100
Power Tech Systems Pty Ltd*	Australia	Ordinary	**100**	100
Byte Power (Hong Kong) Ltd^ **	Hong Kong	Ordinary	**83.4**	83.4
Singapore Digital Exchange Pte Ltd^	Singapore	Ordinary	**68.2**	88.7
Wine Power Pty Ltd*	Australia	Ordinary	**100**	100
Wine Power Pte Ltd^	Singapore	Ordinary	**100**	100
Treasure Hive Honey Pty Ltd*	Australia	Ordinary	**100**	100
Byte Power X Pty Ltd*	Australia	Ordinary	**100**	100

* These companies are classified as small proprietary companies under the *Corporations Act 2001* and therefore are not required to prepare or lodge accounts.

^ These companies are incorporated overseas.

** Due to the passive nature of the non-controlling interest in this subsidiary, and arrangements in place with the other shareholders, the Group accounts for both entities on the basis that it has 100% ownership of the company.

25. Related Party Transactions

(i) Description of related party transactions

Ultimate parent

Byte Power Group Limited is the ultimate Australian parent entity.

Director-Related Entity Transactions

All transactions with related parties were made on normal commercial terms and conditions except where stated, and are as follows:

Current Related Party Liabilities

The current related party payables represent amounts payable to director's related entities within the next 12 months as at 30 June 2022.

Current Non-Interest Bearing Related Party Payables

Related party payables represent the amount payable to director's related entities. These are provided on interest free terms.

25. Related Party Transactions (continued)

Non-Current Interest Bearing Related Party Liabilities

The Non-Current Interest Bearing Related Party Liability relates to the unsecured loan owing to Mr Alvin Phua (related party), consisting of both principal and interest components outstanding as at 30 June 2022.

These unsecured loan funds have been provided at a floating interest rate which is 2% above the prime lending rate and interest for the period amounted to $86,124 (2021: $298,374). As at 30 June 2022, the outstanding loan balance was $nil (2021: $2,724,672) after repayments during the year of $2,724,672 (2021: $nil). Interest outstanding as at 30 June 2022 totals $nil (2021: $1,764,317).

The Non-Current Interest Bearing Related Party Liability relates to Mr Alvin Phua's principal and interest component of the loan as at 30 June 2022.

Non-Current Non-Interest Bearing Related Party Payables

Related party payables represent the amounts payable to director's related entities. These are provided on interest free terms.

(ii) Transaction with related parties
The following transactions occurred with related parties:

	2022 **$**	2021 $
Payment for goods and services	**(380,029)**	(27,362)
Receipt from goods and services	**-**	-
	(380,029)	(27,362)

(iii) Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transaction with related parties:

Trade and other payables	**(305,086)**	-
Trade and other receivables	**-**	74,943
	(305,086)	74,943

(iv) Loans to/from related parties
Disclosures relating to loans to/from related parties are set out in Note 15.

26. Subsequent Events

Subsequent to balance date, Byte Power Group Ltd sold 1,197 shares in its subsidiary, Singapore Digital Exchange Pte Ltd ('SDX'), successfully raising US$347,269 through to December 2023, representing 0.53% of the company, as at December 2023. The capital raise was used to provide working capital to further the development of its cryptocurrency exchange.

Subsequent to balance date, one of the non-trading subsidiaries of the Byte Power Group, Byte Power (Hong Kong) Ltd, was voluntarily wound up, as this entity was non-core to the Group's business.

There are no other matters or circumstances that have arisen since 30 June 2022 that have significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

27. Financial Instruments

(a) Credit Risk Exposures

The Group's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount, net of any provision for doubtful debts, of those assets as indicated in the below statement.

Trade and other receivables that are neither past due nor impaired are considered to be of high credit quality.

(b) Interest Rate Risk

The Group's exposure to interest rate risk and the effective weighted average interest rate for each class of financial asset and financial liabilities is set out in the following table.

Exposures arise predominantly from assets and liabilities bearing variable interest rates as the Group intends to hold fixed rate assets and liabilities to maturity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

27. Financial Instruments (continued)

	Non bearing Interest	Floating interest rate	Fixed Interest rate maturing in 1 year or less	Fixed interest rate maturing in 1 to 5 years	Total
	$	$	$	$	$
2022					
Financial assets					
Cash and cash equivalents	-	96,444	-	-	96,444
Receivables	-	-	-	-	-
	-	96,444	-	-	96,444
Weighted average interest rate %		-	-	-	
Financial liabilities					
Trade and other creditors	2,996,947	-	-	-	2,996,947
Converting loans	-	-	886,800	-	886,800
Loans from director related entity	-	-	-	-	-
Related party payables	573,349	-	-	-	573,349
	3,570,296	-	886,800	-	4,457,096
Weighted average interest rate %			8.0%		

	Non bearing Interest	Floating interest rate	Fixed Interest rate maturing in 1 year or less	Fixed interest rate maturing in 1 to 5 years	Total
	$	$	$	$	$
2021					
Financial assets					
Cash and cash equivalents	-	45,899	-	-	45,899
Receivables	-	-	-	-	-
	-	45,899	-	-	45,899
Weighted average interest rate %			-	-	-
Financial liabilities					
Trade and other creditors	2,975,036	-	-	-	2,975,036
Converting loans	-	-	1,263,965	-	1,263,965
Loans from director related entity	-	3,773,387	-	-	3,773,387
Related party payables	782,965	-	-	-	782,965
	3,758,004	3,773,387	1,263,965	-	8,795,356
Weighted average interest rate %		10.0%		10.0%	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

27. Financial Instruments (continued)

(c) Sensitivity analysis

The following table illustrates sensitivities to the Group's exposure to changes in interest rates. The table indicates the impact on how profit reported at balance date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	2022	2021
	$	$
+100 bps in interest rate – increase / (decrease) in reported profit	**8,868**	50,372
-100 bps in interest rate – increase / (decrease) in reported profit	**8,868**	50,372

28. Company Details

Registered office address	Level 5, 243 Edward Street, Brisbane QLD 4000 Australia
Principal place of business	Byte Power Group Limited Byte Power Pty Ltd Byte Power X Pty Ltd Power Tech Systems Pty Ltd Wine Power Pty Ltd Treasure Hive Honey Pty Ltd Level 5, 243 Edward Street, Brisbane QLD 4000 Australia
	Singapore Digital Exchange Pte Ltd 200 Kim Seng Road #25-01 The Cosmopolitan Singapore 239471

BYTE POWER GROUP LIMITED
And its controlled entities
DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Byte Power Group Limited, in the opinion of the directors of the company:

1. the financial statements and notes, as set out on pages 8 to 36, are in accordance with the Corporations Act 2001 and:
    a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
    b. give a true and fair view of the financial position as at 30 June 2022 and of the performance for the year ended on that date of the consolidated Group;

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

Alvin Phua
Executive Chairman & CEO

Brisbane, 29 February 2024

PKF Brisbane Audit
ABN 33 873 151 348
Level 2, 66 Eagle Street
Brisbane, QLD 4000
Australia

+61 7 3839 9733
brisbane@pkf.com.au
pkf.com.au

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BYTE POWER GROUP LIMITED

Report on the Financial Report

Opinion

We have audited the accompanying financial report of Byte Power Group Limited ("the Company"), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company and the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

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

a) Giving a true and fair view of the Company's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

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

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material Uncertainty Related to Going Concern

Without modifying our opinion, we draw attention to the following matter. As outlined in Note 1, the consolidated entity as at 30 June 2022 has recorded a net current asset deficiency of $3,450,974 and net asset deficiency position of $3,733,850. This, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Directors' Responsibilities 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 Company'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 Company 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, individual or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

PKF

PKF BRISBANE AUDIT

SHAUN LINDEMANN
PARTNER

29 FEBRUARY 2024
BRISBANE

Byte Power Group Offices

Australia

Corporate
Level 5, 243 Edward Street
Brisbane QLD 4000
Australia
Ph: +61 7 3620 1688
Email: info@bytepowergroup.com
www.bytepowergroup.com

Byte Power Pty Ltd
Level 5, 243 Edward Street
Brisbane QLD 4000
Australia
Ph: +61 7 3620 1688
Email: info@bytepowergroup.com
www.bytepowergroup.com

Power Tech Systems Pty Ltd
Level 5, 243 Edward Street
Brisbane QLD 4000
Australia
Ph: +61 7 3620 1688
Email: info@ptech.com.au
www.bytepowergroup.com

Wine Power Pty Ltd
Level 5, 243 Edward Street
Brisbane QLD 4000
Australia
Ph: +61 7 3620 1688
Email: info@bytepowergroup.com
www.bytepowergroup.com

Treasure Hive Honey Pty Ltd
Level 5, 243 Edward Street
Brisbane QLD 4000
Australia
Ph: +61 7 3620 1688
Email: info@bytepowergroup.com
www.bytepowergroup.com

Byte Power X Pty Ltd
Level 5, 243 Edward Street
Brisbane QLD 4010
Australia
Ph: +61 7 3620 1688
Email: info@bytepowerx.com
www.bytepowergroup.com

Overseas

Singapore Digital Exchange Pte Ltd
200 Kim Seng Road #25-01
The Cosmopolitan
Singapore 239471
Ph: +65 6334 3427

Wine Power Pte Ltd
200 Kim Seng Road #25-01
The Cosmopolitan
Singapore 239471
Ph: +65 6334 3427