ORCODA LIMITED

ANNUAL REPORT 2019

Healthcare Logistics Transport Logistics Resource Logistics

Orcoda Limited
ABN 86 009 065 650

2019 Annual Report

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CORPORATE DIRECTORY

Directors

Nicholas Johansen	Non-Executive Chairman
Geoffrey Jamieson	Managing Director/CFO
Stephen Pronk	Non Executive Director
Brendan Mason	Non Executive Director

Company Secretary

Julian Rockett
B Arts, LLB, GDLP

Registered Office

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434 St Kilda Road,
MELBOURNE VIC 3004

Head Office

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MELBOURNE VIC 3004
Telephone: (61-3) 9866 7333

Email: admin@orcoda.com
Homepage: www. orcoda.com
ASX Code: ODA

Auditors

RSM Australia Partners
Level 21,
55 Collins Street
MELBOURNE VIC 3000

Bankers

Westpac Banking Corporation
275 George Street
SYDNEY NSW 2000

Solicitors

Hopgood Ganim
Level 4,
105 St Georges Terrace
PERTH WA 6000

Securities Quoted

Australian Securities Exchange
Home Exchange – Australian Securities Exchange (Perth)

Share Registry

Computershare Registry Services
Level 2, 45 St Georges Terrace
PERTH WA 6000

Telephone: (61-8) 9323 2000
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Corporate Governance Statement

Statement is available on homepage: www.orcoda.com

Chairman's Report

The past year, ending 30 June 2019, has seen the Company doubling of customer receipts in the final quarter which indicates that the business has turned the corner after a complete restructure of its entities business units and overheads. We are now in a growth phase with sales forecasts for the coming financial year for the three Australian divisions, Healthcare Logistics, Transport Logistics and Resource Logistics, all looking very promising.

The Healthcare division performed very well with a profit for the year, being the major contributer to our FY19 transformation year after coming from FY17 & FY18 on average in excess of $6 million loss to FY19 first half, $775k loss with FY19 second half, $633k profit a great turnaround success. The Company has named its people transport business "Orcoda Connect" and our vision is to enrich the lives of seniors and persons who have disabilities by providing them with safe, secure, reliable transport options.

In April 2019, we completed a $1 million capital raising at 8 cents per share from the placement of $12,500,000 ordinary shares to Stephen Pronk and an associate, with Mr Pronk becoming a board member and the Company is utilising his vast experience to contribute to the growth of the Company.

China operations have been shutdown other than keeping the VIE structure alive for sale as the Directors believe we can sell the structure. We have had the structure under option from two parties but neither of these deals progressed to a settlement. We will continue marketing the structure to find the right buyer.

The company continues its growth in each of our operating divisions of Healthcare Logistics, Transport Logistics and Resource Logistics and to further fund this growth the Company completed another capital raising of $1,050,000 on 6th September 2019 at 16 cents per share from the placement of 6,562,500 ordinary shares.

Finally, on behalf of the Board, I would like to thank the Orcoda team for their dedication and hard work this year, for taking the necessary steps to reduce the cost base and to optimise the business. Together, we are forging a solid position in the competitive but rewarding world of logistics excellence.

I thank you, our shareholders, for your loyalty and support.

Nicholas Johansen
Chairman

26 September 2019

DIRECTORS' REPORT

Your directors present their report together with the financial statements on the consolidated entity consisting of ORCODA Limited and the entities it controlled at the end of and during the year ended 30 June 2019.

Directors

The directors' names and qualifications during the financial year and up to the date of this report are:

Nicholas Johannsen (Appointed 21/6/2018)
Brendan Mason (Appointed 29/07/17)
Geoffrey Jamieson (Appointed 7/3/2018)
Stephen Pronk (Appointed 15/4/2019)
Warren Preston (Resigned 26/3/2019)

Nicholas Johansen – Chairman (Appointed 21/6/2018)

Chair Remuneration and Audit Committees Partner Cozens Johansen Law. NED Armadale Capital PLC. President NT Resources & Energy Law Association and Non Executive Director Hardey Resources Limited.

Geoffrey Jamieson Managing Director / CF0 (Appointed 7/3/2018)

MAICD, ex merchant banker previously held positions as Managing Director / Finance Director of 5 listed public companies and numerous private companies, His experience is across a broad range of industries which include software development, funds management, logistics in mining, oil & gas and transport. Previously Managing Director of Resource Connect.

Mr Brendan L. Mason – (Appointed 29/7/2017)

MAICD, previously held numerous senior leadership positions in a range of major international companies and organisations, including General Manager logistics at Boral, Cochlear's General Manager in Greater China, Lucent Technologies' Executive Director and Head of Sales and was previously Board Member, Treasurer and Chairman of the Australian Chamber of Commerce to China.

Stephen Pronk (Appointed 2/4/2019)

Mr Pronk is an active investor at the Brisbane Angels, an investment group that invests early stage start-ups. He is also a director of AimLab, a manufacturer of advanced analytical and pathology laboratory automation equipment in the Healthcare sector and he is also Chairman of Talent Vine, an innovative recruitment aggregation platform.

Warren Preston (Resigned 26/3/2019)

MAICD, Executive Director GM Orcoda Resource Logistics Bachelor of Business.

Company Secretary

Julian Rockett (Appointed 29/1/2018)
LLB, B. Arts, GDLP

Leanne Ralph BBus ACIS AAICD(resigned 29/1/2018)

Dividends

There were no dividends declared or paid during the course of the financial year and no dividend is recommended (2018: nil).

Principal Activities

Operational efficiency specialists who supply best-in-class solutions that combine software, management expertise and contracting services, helping to make our clients among the most productive and cost-effective organisations in their respective industries.

Operating Results

The loss of the consolidated entity for FY19 amounted to $142,936 loss (2018: $5,833,183 loss).
As at 30 June 2019 the consolidated entity had net assets of $12,385,227 (2018: 11,637,735).

DIRECTORS' REPORT (Cont)

Review of Current Operations

OVERVIEW

Orcoda Limited is an Australian-listed company (ASX:ODA) with expertise in business efficiency and optimisation. We are operational efficiency specialists who supply best-in-class solutions that combine software, management expertise and contracting services, helping to make our clients among the most productive and cost-effective organisations in their respective industries.

Our clients come from a diverse array of industry sectors and include some of Australia's largest companies operating in Oil & Gas, Mining, Infrastructure, Transport and Healthcare sectors.

Orcoda's combined offering is focused on three key business sectors: healthcare, transportation and resources. We pride ourselves on enabling our clients to generate fast, accurate and reliable information, ensuring they are able to make the best business decisions the first time, every time and on time.

At Orcoda, we understand that every business involves a combination of people, systems and processes. Orcoda enhances and empowers each of these core elements by ensuring staff have access to accurate and relevant information, and by providing the support of experienced professionals capable of dealing with any challenge.

Plan

The ability to plan effectively is in our DNA and we embed this into our clients DNA

- Workforce and fleet scheduling, rostering and compliance
- Business intelligence and workflows
- Workforce and asset mobilisation strategies
- Economic modelling and scenario analysis

Mobilise

We mobilise assets and people in the most timely and cost-effective way, no matter the challenge.

- End-to-end visibility and control over people & assets
- Asset procurement, utilisation and optimisation
- Adaptive workforce mobilisation scenarios
- Real-time client demand mapping

Manage

We help identify, adapt and respond to changes as they occur, minimising disruption and maximising profitability.

- Real-time reporting and analysis over workforce and assets
- Generate adaptive business scenarios
- Contractor and compliance management
- System and process engineering and integrations

Orcoda has three Divisions, Healthcare Logistics (disability and seniors transport, homecare and health transport services) Transport Logistics (metro services, line haul and field services) and Resource Logistics (oil & gas, mining and infrastructure).

HEALTHCARE LOGISTICS

Orcoda Healthcare Logistics is an innovative mobile healthcare solution which improves client outcomes and optimises the efficiency of mobile healthcare services delivery. We sell our SaaS solution to clients in the healthcare sector and also operate our own fleet of vehicles to deliver a much needed service to the sector, we have called this business "Orcoda Connect".

Our solution has been designed with a single philosophy in mind - Client Care. We combine Orcoda's mix of industry knowledge and management expertise with market-leading technology. This enables us to provide best-in-class services to organisations across the entire Healthcare spectrum, including aged and high needs care providers, community organisations, NFPs and NDIS service providers.

Our Driver are more than just qualified to drive, our caring drivers are trained and compliant with statutory clearance (Blue Card and Driver Accreditation) and first aid certification.

DIRECTORS' REPORT (Cont)

Homecare Services

Our optimised communication system enables Healthcare Providers to give Clients and their families real-time updates of when care services are booked and when to expect them. Live status updates are tracked via our platform and streamed to any mobile device. You and your loved ones will always be kept informed.

Disability Transport Services

Using our technology and expertise, Orcoda can deliver the transport functions of an existing provider as either fully outsourced subcontractor Orcoda vehicles or your own managed fleet. Fleets comprising a mix of company and subcontractor Orcoda vehicles are easily managed and are allocated on various priority levels with overflow settings.

Our optimisation process provides a unique technical advantage when it comes to managing and deploying people, vehicles and transport services. We are able to assist providers who run their own services as well as support various Government programmes like Health departments, Centacare, MyAge Care, Medicare and NDIS scheme providers.

Health Transport Services

Using our scheduling and route optimisation technology, Orcoda can improve the efficiency and reliability of fleets delivering critical medical supplies. Our system optimises travel plans and makes these available with real-time updates to all stakeholders via a security filtered web interface and mobile application.

To maximise fleet effectiveness, the Orcoda Healthcare Logistics System is tailored to your specific situation and includes the services of our expert planners in your office to ensure the seamless delivery of vital services to your clients. The team behind the planners manage issues as they arise.

Our in house transport fleet is called Orcoda Connect

- Orcoda Connect has worked in the sector for the last 12 months and has a disruptive innovative solution that works for all stakeholders;
- Market is currently serviced very inefficiently and does not provide seniors or people with low care disabilities transport of their choice;
- Orcoda is building its fleet from the sale of licenses that entitles the licensee to utilise Orcoda IP to operate a vehicle rental business;
- Orcoda has a proven model that delivers low risk to Orcoda and low risk for Licensees who earn 12% EBITDA pa from renting vehicles to Orcoda;
- Licence very suitable for High Net Worth's, Self Managed Super Funds, Institutional Super Funds and Industry Super Funds.
- Orcoda has signed up the first lot of Licences and now have 10 cars currently being rolled out in Queensland and expects to roll out another 60 this year;
- Orcoda place vehicles at source locations of medical practices, retirement villages, aged care facilities, clubs (RSL etc) and NFP organisations;
- Source locations can brand the vehicle and there is strong demand from all of the above locations for more vehicles;
- Benefits flow to Aged & Disabled Communities in lower cost and better service and the Aged Care market is expected to double over next 10 years;
- Recession Proof business as service always required regardless of economy position;

DIRECTORS' REPORT (Cont)

TRANSPORT LOGISTICS

Orcoda Transport Logistics is built on our extensive history and knowledge of delivering logistic solutions that empower organisations to be market leaders in transport, field service and distribution of goods and services.

Our solutions incorporate all your operational and customer service rules, optimising your fleet's schedule to ensure full operational and service-level compliance is delivered with maximum efficiency. Based on cloud SaaS architecture, Orcoda Transport Logistics ensures all stakeholders, both internal and external, have visibility and control of their future schedules, with real-time views and notifications of in-field progress when paired with our customised mobility solution. Whether you deliver or pick up goods or offer services that require logistics, Orcoda Transport Logistics can transform your operation by increasing efficiency, compliance, visibility and service levels, all while lowering your bottom line costs.

Scheduling, Planning & Management

Adaptable to any type of logistics-based operation, including delivery and service operations, Orcoda Transport Logistics provides schedulers the flexibility to optimise a fleet with compliant schedules at the push of a button, or to create manual schedules that are compliant by using simple drag-and-drop functionality.

Our optimisation software can be tailored to your operation's unique rules, KPIs and operational variables, which can all be factored into the daily plan for your business. The software can also issue notifications to staff to inform them of their daily plans and to your business. The software issues notifications to your staff for daily plans and customers for arrival times.

Our expert management team can provide an outsourced solution that works in your office. We can design and improve key project processes through our specialist supply-chain knowledge, helping to save you money and time across all areas.

Mobility & Visibility

Orcoda Transport Logistics allows stakeholders to monitor real-time progress of each schedule, order fulfilment status and worker location information on a live map and respond immediately to any exceptions. The Orcoda Transport Logistics solution also provides immediate feedback to assist schedulers in adjusting their schedules for efficiency and identifying in real-time the impact of each decision on the bottom line.

Business Intelligence & Workflow

The automated workflow and notification engine enables the system to predict any future exceptions to business rules and schedules based on your current activity. Using the system's real-time and long-range reporting and analysis tools, your organisation can optimise its fleet and movements based on accurate and up-to-date information generated in-field.

RESOURCE LOGISTICS

Orcoda Resource Logistics offers best-in-class service and technology in order to manage people, places and process on complex resources projects for which visibility and control over the whole work team and assets are critical to safety and success.

Orcoda's solutions have been built on the back of some of Australia's largest workforce-intensive projects. Our expertise extends across all phases of delivery, from early works through to construction, operation and maintenance. We bring together a combination of management, contracting experience and technology to simplify the complexity of mass workforce deployments.

Our approach is to integrate the Orcoda solution into your existing systems rather than replacing them. This ensures that we can centralise all information in one place to give you complete visibility at all stages, including onboarding, mobilisation and worksite movements. The results are reduced costs, reduced risk and increased productivity for your project.

Management

Our expert management team provide an outsourced solution that works in our clients office and caters to the many and evolving needs of their projects. We can design and improve key project processes through our specialist supply-chain knowledge, helping save money and time across all areas.

Our approach is to ensure everyone in the supply chain receives accurate and relevant information, with updates immediately communicated through to managers and workers. Key stakeholders have visibility and control over workers at all stages of onboarding, mobilisation and worksite movements. Orcoda specialists work with the senior management team, empowering them to make fast, accurate and cost-saving decisions, while also ensuring compliance with company policies.

Contracting

We procure and manage the service providers required to facilitate every stage of a project.

Platform & Integration

Orcoda specialises in connecting all personnel and suppliers into one continuous supply chain and can digitally connect systems and data from all suppliers and contractors to create a seamless, end-to-end process.

Our in-house development team can integrate the clients existing systems into our digital platform, without the need to replace them. The result is a streamlined single source of truth, allowing our clients to manage and control the entire project workforce, including subcontractors and suppliers using real-time information.

DIRECTORS’ REPORT (Cont)

BOARD CHANGES AND APPOINTMENT

The current board is made up of the following:

Nick Johansen	(Chairman and Chairman of Audit Committee and Remuneration Committee)
Geoffrey Jamieson	(Managing Director / CFO and member of Audit Committee)
Brendan Mason	(Non Executive Director and member of Remuneration Committee)
Stephen Pronk	(Non Executive Director)

Significant changes in the state of affairs

During the financial year, the consolidated entity commenced operations of selling Licenses to operate vehicle rental businesses for the operation of transport for aged persons and persons with disabilities which is operated by Orcoda Connect which is part of Orcoda Healthcare Logistics. The sale of licenses has contributed substantially to the profitability of the healthcare division and should continue to do so in FY2020.

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

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian law.

Matter subsequent to the end of the financial year

On 6 September 2019 the Company announced it had completed a $1,050,000 capital raising through the issue of 6,562,500 ordinary shares at an issue price of 16 cents per share. This capital raising was for working capital to continue to grow the business operations in the three divisions.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect Orcoda Limited and its controlled entities’ operations, the results of those operations, or the state of affairs in future financial years.

Likely developments and expected results

The Company will continue to look for ways to improve performance and cash flow, particularly where revenue is not impacted, in order increase profitability.

Auditors

RSM Australia Partners continue in office in accordance with Section 327 and 324DAA of the Corporations Act 2001.

Non-audit services

No non-audit service has been provided during the financial year (2018: $28,580).

Insurance of Directors and Officers

During the financial year, Orcoda Limited insured all directors and officers of the consolidated entity for all liabilities and costs relating to any claim made against them arising out of their conduct whilst acting as a director or officer of the consolidated entity, other than conduct involving a wilful breach of duty in relation to the consolidated entity.

Indemnity and insurance of auditor

Orcoda Limited 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.

Meetings of Directors

The following table sets out the number of formal meetings of the Company’s directors during the year ended 30 June 2018 and the number of meetings attended by each director:

DIRECTORS' REPORT (Cont)

Number of meetings held:

Director	No. of meetings held whilst Director	No. of Meetings Attended
Nicholas Johansen	16	14
Brendan Mason	16	16
Geoffrey Jamieson	16	16
Warren Preston	12	12
Stephen Pronk	3	3

Proceedings on Behalf of Company

No person has applied for leave of Court 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Outstanding options

At the date of this report, the following unlisted options outstanding are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
28/08/2017	28/08/2019	$0.75	816,667
28/08/2017	28/08/2019	$1.125	816,667
07/03/2018	07/03/2021	$0.5625	2,000,000
05/06/2018	07/03/2021	$0.5625	200,000

No options were issued during the financial year.

Shares issued on the exercise of options

No ordinary shares were issued during the year ended 30 June 2019 and up to the date of this report on the exercise of options granted.

DIRECTORS' REPORT (Cont)

REMUNERATION REPORT

Your directors present their Remuneration Report for the year 1 July 2018 to 30 June 2019.

Role of Board of Directors

The Board determines the appropriate nature and amount of remuneration. The Board seeks to ensure that executive reward satisfies the following criteria for good reward governance practice:

- competitiveness and reasonableness;
- acceptability to shareholders;
- alignment of executive remuneration to performance;
- transparency and capital management.

Non-Executive Directors

Fees paid to non-executive directors reflect the benefit of research into published information as to the level of remuneration paid to directors of comparable companies.

Executives

Executive directors and key management personnel remuneration comprises base salary and superannuation. Base salary is reviewed annually by the Board having regard to the overall levels of remuneration of executives in comparable Australian companies.

Chairman

The services of the Chairman reflect the benefit of research into published information as to the level of remuneration paid to chairpersons of comparable companies.

Letter of Appointment

Remuneration and other terms of employment for the executive director are formalised in a letter of appointment that also contains comprehensive provisions in relation to termination, confidentiality and suspension.

Remuneration of Directors and Key Management Personnel

(a) Names and positions held of Parent Entity Directors and Key Management Personnel in office at any time during the financial year are:

Parent Entity Directors

Nicholas Johansen	Chairman – Non-Executive Director (ongoing)
Geoffrey Jamieson	Managing Director – Executive (ongoing)
Brendan Mason	Director – Non Executive Director (ongoing)
Stephen Pronk	Director – Non Executive Director (Appointed 15/4/2019)
Warren Preston	Director – Executive Director (Resigned 26/3/2019)
Scott McIntosh	Director – Alternate Director (Resigned 7/2/2019)

DIRECTORS' REPORT (Cont)

(b) Table of benefits and payments for the year ended 30 June 2019

Directors' and Key Management Personnel

		Short-term benefits				Post-employment benefits		Long-term benefits		Equity-settled share-based payments		
		Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Pension and Superannuation	Other	LSL	Shares / Units	Options / Rights	Termination benefits	Total
		Directors										
Mark Valie[*]	2018	120,000	-	-	-	11,400	-	-	-	-	-	131,400
	2019	-	-	-	-	-	-	-	-	-	-	-
Bryan E. Carr[*]	2018	73,753	-	-	-		-	-	-	-	-	73,753
	2019	-	-	-	-		-	-	-	-	-	-
Brendan Mason[2]	2018	315,725	-	-	-		-	-	324,000	-	-	639,725
	2019	226,173	-	-	15,000		-	-	-	-	-	241,173
Andrew Forsyth[*]	2018	5,000	-	-	-	475	-	-	-	-	-	5,475
	2019	-	-	-	-	-	-	-	-	-	-	-
Yui (Ian) Tang[*]	2018	32,083	-	-	-		-	-	-	-	-	32,083
	2019	-	-	-	-		-	-	-	-	-	-
Nicholas Johansen[1]	2018	-	-	-	-	-	-	-	-	-	-	-
	2019	50,000	-	-	-		-	-	-	-	-	50,000
Gregory Simpson[*]	2018	5,833	-	-	-	554	-	-	-	-	-	6,388
	2019	-	-	-	-	-	-	-	-	-	-	-
Tracy Colgan[*]	2018	37,011	-	-	-	3,516	-	-	-	-	-	40,527
	2019	-	-	-	-	-	-	-	-	-	-	-
Mark Ziirsen[*]	2018	29,511	-	-	-	2,804	-	-	-	-	-	32,315
	2019	-	-	-	-	-	-	-	-	-	-	-
Geoff Jamieson[3]	2018	83,333	-	-	-	-	-	-	-	-	-	83,333
	2019	250,000	-	-	50,000	-	-	-	-	-	-	300,000
Warren Preston[4]	2018	50,000	-	-	-	-	-	-	-	-	-	50,000
	2019	150,000	-	-	-	-	-	-	-	-	-	150,000
Stephen Pronk[6]	2018	-	-	-	-	-	-	-	-	-	-	-
	2019	4,125	-	-	-	-	-	-	-	-	-	4,125
Sub-Total	2018	***752,250***	-	-	-	***18,749***	-	-	***324,000***	-	-	***1,094,999***
	2019	***680,298***	-	-	***65,000***	-	-	-	-	-	-	***745,298***
		Other Key Management Personnel										
James Brooke[*]	2018	30,499	-	-	8,633	5,858	-	-	-	-	59,530	104,520
	2019	-	-	-	-	-	-	-	-	-	-	-
Scott Mclntosh[5]	2018	50,000	-	-	-	-	-	-	-	-	-	50,000
	2019	87,500	-	-	-	-	-	-	-	-	-	87,500
Total	**2018**	***832,749***	-	-	***8,633***	***24,607***	-	-	***324,000***	-	***59,530***	***1,249,519***
	2019	***767,798***	-	-	***65,000***	-	-	-	-	-	-	***832,798***

***** These Directors or Key Management Personnel had resigned prior to 30 June 2018.

DIRECTORS' REPORT (Cont)

(b) Table of benefits and payments for the year ended 30 June 2019 (Cont)

[1] Fees were paid to Harkiss Minerals Discovery Pty Ltd in which Nicholas Johansen has an interest in.
[2] Fees were paid to SinoOz Limited in which Brendan Mason has an interest in.
[3] Fees were paid to Tamlin Holdings Pty Limited in which Geoff Jamieson has an interest in.
[4] Fees were paid to Corporate Development Mentors in which Warren Preston has an interest in.
[5] Fees were paid to Garrison Group Pty Ltd in which Scott Mclntosh has an interest in.
[6] Stephen Pronk was appointed Non Executive Director on 15 April 2019 on a consultancy arrangement amounting to $15,000 per annum.

The service and performance criteria set to determine remuneration are set out in paragraph (f) of the Remuneration Report

Performance Conditions Linked to Remuneration

The consolidated entity's emphasis upon incentives that reward for results and continued commitment to the consolidated entity through the provision of various cash bonus reward schemes, specifically the incorporation of incentive payments based on the achievement of revenue and profit targets, return on equity ratios, and continued employment with the consolidated entity provides management with a performance target which focuses upon sales growth and profitability utilising existing group resources.

Employment Details of Members of Key Management Personnel and Other Executives

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the consolidated entity. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

Name	Position held as at 30 June 2019 and any change during the year	Contract Details (Duration and Termination)	Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
			Non-salary cash-based incentives	Shares/ Units	Options/ Rights	Fixed Salary/Fees	Total
Nicholas Johansen	Non-Executive Chairman	Ongoing contract $50,000 per annum	-	-	-	100.0%	100.0%
Geoffrey Jamieson	Managing Director commenced 1/3/2018	2 year agreement with entitlement to receive 12 Months payments if terminated in first 12 months and 6 months payment if terminated in second 12 months	-	-	-	100.0%	100.0%
Stephen Pronk	Non Executive Director	No contract NED fees $15,000 per annum	-	-	-	100.0%	100.0%
Brendan Mason	Chief Operating Officer & China Chief Executive Officer	Agreement ended 31/3/2019 New Contract started 1/7/2019 for NED fee $30,000 per annum			-	100%	100.0%
Warren Preston	Executive Director (Resigned 26/3/2019) General Manager Resource Logistics	2 year agreement with entitlement to receive 12 Months payment if terminated in first 12 months and 6 months payment if terminated in second 12 months	-	-	-	100.0%	100.0%
Scott McIntosh	COO	Resigned 7/2/2019 appointment finished	-	-	-	100.0%	100.0%

On appointment to the board, all non-executive Directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including compensation, relevant to the office of director.

The employment terms and conditions of all KMP are formalised in contracts of employment. Each of these agreements provide for the provision of performance related cash bonuses, other benefits including car allowances, mobile telephone and laptop, and equity participation, when eligible.

DIRECTORS' REPORT (Cont)

Terms of employment of other KMP require that the relevant consolidated entity provide an executive contracted person with a minimum of one month's notice prior to termination of contract. Termination payments are not payable on resignation or under the circumstances of unsatisfactory performance.

Non-Executive Directors are subject to similar contracts requiring one month's notice to be given on termination. Termination payments are at the discretion of the remuneration committee.

Changes since the end of the reporting period
No changes in directors and key management personnel have occurred since the end of the reporting period.

Share-based compensation
Issue of shares
Details of shares issued to directors in lieu of previous year's director fees are set out below:

Name	Date	Shares	Issue price	$
Mark Vaile	7 August 2018	20,300,813	$0.004	$81,203
Brendan Mason	7 August 2018	26,193,494	$0.004	$104,774
Ian Tang	7 August 2018	7,945,313	$0.004	$31,781

Options
No options were granted as remuneration to directors and key management personnel during the reporting period.

(c) Shareholdings
Number of Shares held directly or indirectly by Parent Entity Directors post consolidation

30 June 2019	Balance at the start of the year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at the end of the year
Parent Entity Directors					
Geoffrey Jamieson	8,780,104	17,000	-	119,628	8,916,732
Brendan Mason	13,334	1,429,247	-	19,758	1,462,339
Stephen Pronk**	-	-	-	9,168,335	9,168,335
Scott Mcintosh *	8,764,104	-	-	(8,764,104)	-
Warren Preston *	8,764,104	-	-	(8,764,104)	-
Total	26,321,646	1,446,247	-	(8,220,487)	19,547,406

- These Directors were resigned on and before 30 June 2019.

** Stephen Pronk was appointed on 15th April 2019.

All of the below Director shareholdings are Pre Consolidation of 75:1.

30 June 2018	Balance at the start of the year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at the end of the year
Parent Entity Directors					
Mark Vaile*	375,000	-	-	(375,000)	-
Andrew Forsyth*	40,378,134	-	-	(40,378,134)	-
Bryan Carr*	61,715,049	-	-	(61,715,049)	-
Gregory Simpson*	6,456,981	-	-	(6,456,981)	-
Scott Mcintosh	-	-	-	658,507,384	658,507,384
Brendan Mason	-	-	-	1,000,000	1,000,000
Geoffrey Jamieson	-	-	-	659,707,384	659,707,384
Warren Preston	-	-	-	658,507,384	658,507,384
Total	108,925,164	-	-	1,868,796,988	1,977,722,152

*These Directors were resigned on and before 30 June 2018 and all of the above Director shareholdings were Pre Consolidation of 75:1.

DIRECTORS' REPORT (Cont)

(d) Option holdings

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

No options were owned or issued to any Directors as at 30 June 2019

30 June 2018 *Options over unissued shares*	Balance at the start of the year	Granted as remuneration during the year	Other Changes during the year	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Andrew Forsyth	1,004,372	-	-	-	(1,004,372)	-
Ian Tang	1,004,372	-	-	-	(1,004,372)	-
Gregory Simpson	1,004,372	-	-	-	(1,004,372)	-
	3,013,116	-	-	-	(3,013,116)	-

e) Other transactions with key management personnel and their related parties

There has been no other transactions involving equity instruments other than those described in the tables above.

(f) Remuneration Practices

The Company's policy for determining the nature and amount of emoluments of directors and key management personnel of the Company is as follows:

The remuneration structure for the executive directors and key management personnel is based on a number of factors including length of service, particular experience of the individual concerned, and overall performance of the Company. Employment between the Company and the executive directors and key management personnel is on a continuing basis, not formalised by service agreements, the terms of which are not expected to change in the immediate future. Upon retirement the executive director and key management personnel are paid employee benefit entitlements accrued to date of retirement. The executive directors and key management personnel are paid a percentage of their salary (determined by the Board at the time) in the event of redundancy. Additionally, remuneration and other terms of employment for the executive directors are formalised in a letter of appointment that also contains comprehensive provisions in relation to termination, confidentiality and suspension.

(g) Remuneration policy

The remuneration policy of Orcoda Limited has been designed to align key management personnel ("KMP") objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated entity's financial results.

The Board of Orcoda Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the consolidated entity as well as create goal congruence between Directors, Executives and Shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the consolidated entity is as follows:

• The remuneration policy is to be developed by the Remuneration Committee and approved by the Board after professional advice is sought from independent external consultants where considered necessary and is designed to attract the highest caliber of executives.

• KMP receive a combination of base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives and rewards them for performance results aimed at long term growth in shareholder wealth.

• Performance incentives are generally only paid once predetermined key performance indicators have been met.

• Incentives paid in the form of options or rights are intended to align the interests of the Directors and Company with those of the Shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.

• The Remuneration Committee reviews KMP packages annually by reference to the consolidated entity's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed bi-annually with each executive and is based predominantly on the forecast growth of the consolidated entity's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

DIRECTORS' REPORT (Cont)

KMP receive a superannuation guarantee contribution required by the government, which for the FY2018 financial year was 9.5% of the individual's average weekly ordinary time earnings (AWOTE), and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to KMP is valued at the cost to the company and expensed.

The Board's policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting.
KMP are also entitled and encouraged to participate in the employee share and option arrangements to align directors' interests with shareholders' interests.

Options granted under the arrangement do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share once the interim or final financial report has been disclosed to the public and is valued using the Black-Scholes methodology.

KMP or closely related parties of KMP are prohibited from entering into hedge arrangements that would have the effect of limiting the risk exposure relating to their remuneration.

In addition, the Board's remuneration policy prohibits directors and KMP from using Orcoda Limited shares as collateral in any financial transaction, including margin loan arrangements.

(h) Engagement of Remuneration Consultants

No remuneration consultant was engaged during the year.

(i) Performance-based Remuneration

The key performance indicators (KPIs) are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the consolidated entity and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the Remuneration Committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the consolidated entity's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, Orcoda Limited bases the assessment on audited figures; however, where the KPI involves comparison of the consolidated entity, or a division within the consolidated entity, to the market, independent reports may be obtained from organisations such as Standard & Poors.

(j) Relationship between Remuneration Policy and Company Performance

The remuneration policy has been tailored to increase goal congruence between Shareholders, Directors and Executives. Two methods have been applied to achieve this aim, the first a performance-based bonus based on key performance indicators and the second the issue of options to Executives to encourage the alignment of personal and shareholder interests when considered appropriate.

The following table shows the gross revenue and profits for the last five years for the consolidated entity, as well as the share prices at the end of the respective financial years.

	2019 $'000	2018 $'000	2017 $'000	2016 $'000	2015 $'000
Revenue	2,920	1,389	3,192	11,648	4,277
Net Profit/(loss)	(143)	(5,833)	(6,278)	(2,811)	(1,653)
Share price at year-end (dollar)	0.100	0.004	0.008	0.035	0.029

This concludes the remuneration report, which has been audited.

DIRECTORS' REPORT (Cont)

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

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

On behalf of the directors

Geoffrey Jamieson

GEOFFREY JAMIESON
Managing Director
Brisbane, Queensland

Dated: 26 September 2019

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Orcoda Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

RSM

RSM AUSTRALIA PARTNERS

Philip A Ransom

P A RANSOM
Partner

Dated: 26 September 2019
Melbourne, Victoria

DIRECTORS' DECLARATION

In the directors' opinion:

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

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the financial year ended on that date; and

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

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

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

On behalf of the Directors

Geoffrey Jamieson

GEOFFREY JAMIESON
Managing Director
Brisbane, Queensland

Dated: 26 September 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2019

	Note	2019 $	2018 $
Continuing Operations			
Revenue - Operations	4	**2,404,762**	**1,247,058**
Other Income		**25,290**	**-**
Ecommerce		**-**	**-**
Employee salaries and benefits expense		**(646,555)**	**(1,311,368)**
Material and installation costs		**(531,611)**	**(542,294)**
Depreciation expense		**(3,627)**	**(21,255)**
Consultancy cost		**(1,023,869)**	**(1,030,220)**
ASIC, Audit & Tax		**(179,007)**	**(326,750)**
Investor Relations		**(6,313)**	**(56,000)**
Share based payment		**-**	**(657,392)**
Rental & occupancy costs		**(215,298)**	**(192,609)**
Travelling and accommodation costs		**(80,436)**	**(156,542)**
Amortisation of intangible assets		**(16,023)**	**(102,521)**
Legal & associated costs		**(68,266)**	**(207,943)**
Foreign exchange gain/(loss)		**(4,986)**	**(4,768)**
Impairment Loss		**-**	**(1,288,124)**
Other Expenses		**(53,029)**	**(348,409)**
Loss before income tax from continuing operations		**(398,969)**	**(4,999,128)**
Income tax benefit	6	-	-
Loss after income tax from continuing operations	5	**(398,969)**	**(4,999,128)**
Discontinued Operations			
Profit (loss) after income tax from discontinued operations	10	**256,033**	**(834,054)**
Loss for the year		**(142,936)**	**(5,833,183)**
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation reserve		(325,996)	4,427
Total comprehensive loss for the year		**(468,932)**	**(5,828,756)**
Total comprehensive loss for the year attributable to:			
Continuing operations		(398,969)	(4,999,128)
Discontinued operations		(69,963)	(829,628)
Total comprehensive loss for the year		**(468,932)**	**(5,828,756)**
Loss per share (cents) (basic and diluted) from continuing operations	21	**(0.43)**	**(9.44)**
Earnings (Loss) per share (cents) (basic and diluted) from discontinued operations	21	**0.28**	**(1.58)**
Loss per share (cents) (basic and diluted) attributable to the owners of Orcoda Limited		**(0.15)**	**(11.02)**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	2019 $	2018 $
Current Assets			
Cash and cash equivalents	7	**1,325,148**	**2,105,116**
Trade and sundry receivables	8	**35,046**	**332,373**
Inventory		**-**	**170,410**
Other assets	9	**432,283**	**26,327**
Assets of disposal group classified as held for sale	10	**86,348**	**-**
Total Current Assets		**1,878,825**	**2,634,226**
Non-Current Assets			
Intangible asset	14	**11,085,923**	**11,101,946**
Plant and equipment	13	**15,798**	**26,591**
Total Non-Current Assets		**11,101,721**	**11,128,537**
TOTAL ASSETS		**12,980,546**	**13,762,763**
Current Liabilities			
Trade and other payables	15	**443,300**	**1,952,628**
Provisions	16	**152,019**	**172,400**
TOTAL LIABILITIES		**595,319**	**2,125,028**
NET ASSETS		**12,385,227**	**11,637,735**
Equity			
Issued capital	17	**93,230,631**	**91,690,208**
Reserves		**1,487,606**	**2,137,601**
Accumulated losses		**(82,333,010)**	**(82,190,074)**
TOTAL EQUITY		**12,385,227**	**11,637,735**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2019

	Note	Ordinary Share Capital	Reserves	Accumulated Losses	Total Equity
		$	$	$	$
Balance at *1 July 2017*		76,919,120	1,205,534	(76,406,091)	1,718,563
Shares issued during the year		15,784,113	-	-	15,784,113
Shares cancellation during the period		(317,270)	-	-	(317,270)
Share issue costs		(695,755)	-	-	(695,755)
Performance rights Issued During Period		-	324,000	-	324,000
Options issued during period		-	652,840	-	652,840
Options expired during period		-	(49,200)	49,200	-
Foreign currency translation		-	4,427	-	4,427
Loss after tax for the year		-	-	(5,833,183)	(5,833,183)
Balance at *30 June 2018*	17	91,690,208	2,137,601	(82,190,074)	11,637,735
Balance at *1 July 2018*		91,690,208	2,137,601	(82,190,074)	11,637,734
Shares issued during the year		1,000,000	-	-	1,000,000
Cost of shares issued		(50,000)	-	-	(50,000)
Performance rights issued during priod		590,423	(324,000)	-	266,423
Foreign currency translation		-	(325,995)	-	(325,995)
Loss after tax for the year		-	-	(142,936)	(142,936)
Balance at *30 June 2019*	17	93,230,631	1,487,606	(82,333,010)	12,385,227

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2019

	Note	2019 $	2018 $
Cash Flows from Operating Activities			
Receipts from customers and government grants		1,795,503	1,602,631
Payments to suppliers and employees		(3,956,552)	(5,357,256)
Research and development tax concession		425,582	235,768
Interest received		4,871	14,003
Net cash used in Operating Activities	24	(1,730,598)	(3,504,854)
Cash Flows from Investing Activities			
Cash at Bank businesses acquired		-	262,961
Payments for plant and equipment		-	(7,676)
Net cash used in Investing Activities		-	255,285
Cash Flows from Financing Activities			
Proceeds from capital raisings		1,000,000	5,067,001
Payment for capital raising costs		(50,000)	(334,000)
Net cash provided by Financing Activities		950,000	4,733,001
Net increase/(decrease) in cash and cash equivalents		2,105,116	1,483,432
Cash and cash equivalents at the beginning of year		(780,597)	621,684
Effects of foreign exchange		629	-
Cash and cash equivalents at the end of year	7	1,325,148	2,105,116

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES
The financial report covers the consolidated entity of Orcoda Limited and controlled entities ("consolidated entity"). Orcoda Limited is a listed public company, incorporated and domiciled in Australia.

The financial report was authorised for issue on 26 September 2019 by the Board of Directors.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 27.

Going concern
The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of $142,936 and had net cash outflows from operating activities of $1,730,598 for the year ended 30 June 2019.

These factors indicate a material uncertainty which may cast significant doubt as to whether the consolidated entity 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 report.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- the Company has raised $1,050,000 in September 2019 and the Directors believe it will be able to continue to raise capital as required in the future;
- the Company received R&D incentive payments of approximately $440,000 during the financial year relating to FY2018, is expecting to receive R&D incentive payments of approximately $423,000 during the 2020 financial year relating to FY2019 and is confident it will receive such payments into the future in respect of R&D expenditure incurred;
- the exit from the China business which was a significant drag on cashflow in the past;
- the cash flow forecasts for the consolidated entity indicate there will be sufficient funds to enable its cash requirements to be met over the 12-month period from the date of this report and sufficient working capital to enable the consolidated entity to meet its debts as and when they fall due; and
- costs are being managed so that they are kept at minimal levels and reduced where possible.

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

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

New, revised or amending Accounting Standards and Interpretations adopted
The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES (Cont)

New or amended Accounting Standards and Interpretations adopted (Cont)

The following Accounting Standards and Interpretations are most relevant to the consolidated entity

AASB 9 Financial Instruments
The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets based on the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial asset. In addition, this standard has introduced a new model for the Company's impairment based on a 12-month Expected Credit Loss ('ECL') method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

AASB 15 Revenue from Contracts with Customers
The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue.
Impact of adoption

There was no impact from adopting both AASB 15 Revenue from Contracts with Customers, and AASB 9 Financial Instruments and therefore no adjustments were deemed necessary.

Accounting Policies

(a) Principles of consolidation

A controlled entity is any entity Orcoda Limited is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

A list of controlled entities is contained in Note 11 to the financial statements. All controlled entities have a June financial year end except for SmartTrans Technology (Beijing) Co. Limited which has a December financial year end.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

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

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Subsidiaries are all those entities over which the consolidated entity has control. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

(b) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the financial position date.

Deferred tax is accounted for using the financial position liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES (Cont)

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 statement of comprehensive income 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.

(c) Plant and equipment

Each class of plant and equipment is carried at cost less any accumulated depreciation and any 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.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

The useful lives for each class of depreciable assets are:

Class of Fixed Asset	Useful lives
Plant and equipment	2 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial position 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 taken to profit or loss.

(d) Impairment of non-financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

(e) Intangibles

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES (Cont)

intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Research and development
Expenditure during the research phase of a project is recognised as an expense when incurred. Products and software development costs, including the consolidated entity's route optimisation and mobile data systems technology, are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Products and software development costs have a finite life and are amortised on a systematic basis over the useful life of the project which is estimated to be 3 to 5 years. Products and software development costs are carried at cost less accumulated amortisation and any impairment loss.

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

(f) Earnings per share

Basic earnings per share is determined by dividing the operating loss after income tax attributable to members of Orcoda Limited by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing the operating loss after income tax attributable to members Orcoda Limited by the weighted average number of ordinary shares outstanding during the financial year, adjusted for the effects of all dilutive potential ordinary shares.

(g) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and less bank overdrafts if any.

(h) Revenue recognition

Revenue recognition
The consolidated entity recognises revenue as follows:

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Cont)

Rendering of services
Revenue from a contract to provide services is generally recognised over time as the services are rendered based on either a fixed price or an hourly rate.

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

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

(i) 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 positions are shown inclusive of GST.

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

(j) Inventories

Inventories are valued at the lower of cost and net realisable value. The net realisable value of inventories is the estimated selling price in the ordinary course of business less estimated costs to sell.

(k) Provisions

Provisions are recognised when the consolidated entity 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.

(l) Leases

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the period in which they are incurred.

(m) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

(n) Foreign Currency Transactions and Balances

Functional and presentation currency
The functional currency of each of the consolidated entity'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 entity's functional and presentation currency.

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 profit or loss, 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 other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Cont)

Group companies
The financial results and position of foreign operations, whose functional currency is different from the consolidated entity's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

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

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

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.
Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

(p) Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

(q) Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Cont)

(r) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

(s) Investments and other financial assets (Cont)

Impairment of financial assets

The consolidated entity recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the consolidated entity's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate

(t) Trade and other payables

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

(u) Issued capital

Ordinary shares are classified as equity.

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

(v) Employee benefits

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Cont)

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

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

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of

the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

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

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

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

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

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

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

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

(w) Business Combinations

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

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

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

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

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Cont)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

(w) Business Combinations (Cont)

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

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

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

(x) Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a
line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

(y) Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

(z) Rounding of amounts

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

(aa) **New Accounting Standards and Interpretations not yet mandatory or early adopted**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2019. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below:

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 and its impact on adoption is expected to result in a right-of-use asset of approximately $66,000 and corresponding lease liabilities.

NOTE 2 : FINANCIAL RISK MANAGEMENT

The consolidated entity’s activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity’s overall risk management program focuses on liquidity and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate risks and ageing analysis for credit risk.

Risk management is carried out by senior management in consultation with the Board of Directors. See Note 25 for the consolidated entity’s overall risk management program.

NOTE 3 : CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment.

NOTE 3 : CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont)

If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

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

Revenue from contracts with customers involving sale of goods
When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 4 : REVENUE

	Consolidated 2019 $	2018 $
From continuing operations		
Services*	1,577,201	1,011,375
Research & Development tax incentive	827,561	235,683
	2,404,762	**1,247,058**

Disaggregation of Revenue

**Major service lines*	2019 $	2018 $
Transport logistics	770,184	738,480
Healthcare logistics	654,306	-
Resource logistics	147,849	258,979
Other	4,862	13,916
Total	**1,577,201**	**1,011,375**

**Timing of revenue recognition for major service lines*		
Goods transferred at a point in time	519,930	122,378
Services transferred over time	1,057,271	888,997
Total	**1,577,201**	**1,011,375**

NOTE 5 : EXPENSES

	2019 $	2018 $
Profit before income tax from continuing operations includes the following specific expenses		
Superannuation expense	55,261	161,884
Expected credit losses expense	143,964	-

NOTE 6 : INCOME TAX

No income tax is payable by the consolidated entity as it incurred losses for income tax purposes for the year. The consolidated entity also has available for recoupment income tax and capital losses at balance date.

	2019 $	2018 $
(a) Reconciliation		
The prima facie income tax benefit on the loss from ordinary activities is reconciled as follows:		
Loss from ordinary activities before income tax	**(142,936)**	**(5,833,183)**
Income tax benefit at 27.5% (2018: 27.5%)	**(39,307)**	**(1,604,125)**
Tax effect of amounts which are not deductible/(taxable)	**(226,938)**	**489,772**
Tax effect of temporary differences and tax losses not recognised	**266,245**	**1,114,353**
Income tax benefit	**-**	**-**

(b) Deferred Tax Assets not recognised:

Accumulated tax losses	**14,758,556**	**14,719,249**
Capital losses not recognised	**1,093,920**	**1,093,920**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 6 : INCOME TAX (Contd)

Carried forward tax losses have not been recognised because it is presently not considered probable that future taxable profits will be available against which the economic entity can utilise the benefits therein.
Following the acquisition of Resource Connect Holdings Pty Ltd and iCuro Pty Ltd, management is assessing the extent of carried forward losses available to the consolidated entity in light of changes in ownership of the company and the nature of the ongoing business.

NOTE 7 : CASH AND CASH EQUIVALENTS

	2019	2018
	$	$
Cash on hand	-	241
Cash at bank	1,325,148	2,104,875
	1,325,148	**2,105,116**

NOTE 8 : TRADE AND SUNDRY RECEIVABLES

	2019	2018
	$	$
Trade Receivables	35,046	2,691,637
Less: Allowance for expected credit losses	-	(2,462,843)
	35,046	**228,793**
Sundry receivables	-	103,580
	35,046	**332,373**

Allowance for expected credit losses
The consolidated entity has recognised a loss of $143,964 (2018: nil) in profit or loss in respect of the expected credit losses.

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

	2019	2018
	$	$
Opening balance	**2,462,843**	**2,342,022**
Additional provisions recognised	**20,726**	**150,371**
Receivables written off during the year as uncollectable	**(2,483,569)**	**(29,550)**
	-	**2,462,843**

(a) Foreign exchange and interest rate risk

Information about the consolidated entity's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in Note 25.

(b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.
The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

Refer to Note 25 for more information on the risk management policy of the consolidated entity and the credit quality of the consolidated entity's trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 9 : OTHER ASSETS

Consolidated	Consolidated 2019 $	Consolidated 2018 $
R&D Incentive Receivable	422,939	-
Prepayments	9,344	26,327
	432,283	**26,327**

NOTE 10 : DISCONTINUED OPERATIONS

(a) Description

The consolidated entity has classified its e-Commerce business operations in China as held for sale as the business is not in alignment with the consolidated entity's core business proposition. Consequently, the financial statements for the year ended 30 June 2019 present the performance of this business as discontinued operations in the Statement of profit or loss and other comprehensive income.

(b) Financial performance information

	Consolidated 2019 $	Consolidated 2018 $
Revenue-operations	7	141,951
Other Income	489,916	-
	489,924	141,951
Expenses		
Ecommerce related cost	(282)	(123,732)
Employee benefits expense	(18,505)	(320,444)
Depreciation expense	(2,445)	(12,036)
Consultancy costs	(93,893)	(170,523)
ASIC, audit & tax	(18,327)	(23,867)
Rental & occupancy	(8,185)	(99,985)
Travelling & accommodation	(429)	(49,252)
Legal expenses	(30,236)	(41,118)
Impairment loss	-	(40,784)
Foreign currency gain/(loss)	(1,897)	900
Other expense	(59,692)	(95,166)
	(233,891)	(976,007)
Gain (loss) for the period	256,033	(834,054)
Income tax benefit / (expense)	-	-
Gain (Loss) from discontinued operations	256,033	(834,054)

(c) Cash Flow information

	2019 $	2018 $
Net cash from / (used in) operating activities	(21,297)	(297,118)
Net cash from investing activities	-	-
Net cash from financing activities	-	-
Effect of foreign exchange	629	1,096
	(20,668)	(296,022)

(d) Assets of disposal groups classified as held for sale

Assets of the disposal group classified as held for sale comprises Inventories relating to the e-Commerce business: $86,348.

(e) Liabilities directly associated with assets held for sale

The liabilities in relation to e-Commerce business is nil as at 30 June 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 11: CONTROLLED ENTITIES

Investment in Controlled Entities:

	Place of Incorporation	Equity Holding 2019	Equity Holding 2018
Parent Entity:			
Orcoda Limited (formerly Smarttrans Holdings Ltd)	Australia		
Controlled Entities:			
Orcoda Transport Logistics Limited (formerly Smarttrans Limited)	Australia	100%	100%
E-Trans Pty Ltd	Deregistered		
SmartTrans Technology (Beijing) Ltd	People's Republic of China	100%	100%
Smartrans (HK) Ltd	Hong Kong	100%	100%
Digi 8 Limited	Hong Kong	100%	100%
Beijing SmartTrans Import and Export Trade Co. Ltd*	People's Republic of China	0%	0%
Resource Connect (North Qld) Pty Ltd	Australia	100%	100%
Resource Connect Holdings Pty Ltd	Australia	100%	100%
Resource Connect Logistics Pty Ltd	Australia	100%	100%
Orcoda Resource Logistics Pty Ltd (formerly Resource Connect Pty Ltd)	Australia	100%	100%
Orcoda Healthcare Logistic Pty Ltd (formerly Icuro Pty Ltd)	Australia	100%	100%
Icuro Healthcare Pty Ltd	No longer a subsidiary		
Lifesciences Pty Ltd	Deregistered		

*Orcoda Limited has control over Beijing SmartTrans Import and Export Trade Co. Ltd as the company has the ability to affect any returns through its power to direct the activities of Beijing SmartTrans Import and Export Trade Co. Ltd.

NOTE 12: Business Combinations

There was no business combinations during the current financial year. During the previous financial year, on 7 March 2018, Orcoda Limited has acquired 100% of the ordinary shares of Resource Connect Holdings Pty Ltd and Icuro Pty Ltd and the respective wholly-owned subsidiaries. This is a cloud based logistic software and management business focused on resource sector personnel logistics. It was acquired to allow the combined entities access to a joint software platform, for expansion of its logistic reach into healthcare sector.

The consideration for this purchase was entirely via issue of Orcoda Limited's shares, totalling $11,113,081 in value. There was no cash consideration issued to the vendors of Resource Connect Holdings Pty Ltd and Icuro Pty Ltd. The Company acquired a total cash balance of $262,961 as part of the acquisition. Consequently, the net cash impact of this acquisition is an inflow of $262,961.

During the current financial year, the Consolidated Entity has finalised its amounts recorded as a result of the business combination. The final values, together with the preliminary values recorded on acquisition date, are shown in the table below:

Details of the acquisition are as follows:

	Fair value
Cash and cash equivalents	262,961
Plant and equipment	2,348
Trade payables and other payables	(183,573)
Net assets acquired	81,736
Goodwill	11,031,345
Acquisition-date fair value of the total consideration transferred	11,113,081
Representing:	
Shares issued to vendor	11,113,081
Acquisition costs expensed to profit or loss	333,392

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 13 : PLANT AND EQUIPMENT	2019 $	2018 $
Plant and equipment		
Cost	105,657	110,378
Accumulated depreciation	(89,859)	(83,787)
Total property, plant and equipment	**15,798**	**26,591**

Reconciliations	2019 $	2018 $
Consolidated		
Balance at the beginning of the year	26,591	49,957
Additions	-	12,098
Additions through business combination	-	3,262
Disposals	(4,721)	(5,435)
Depreciation	(6,072)	(33,291)
Carrying amount at the end of year	**15,798**	**26,591**

NOTE 14 : INTANGIBLE ASSET	2019 $	2018 $
Software at Cost	155,750	155,750
Less :Accumulated amortisation	(101,172)	(85,149)
Total Software	**54,578**	**70,601**
Goodwill	11,031,345	11,031,345
Less: impairment	-	-
Total Goodwill	**11,031,345**	**11,031,345**

	2019 $	2018 $
Intangible Asset		
Balance at the beginning of the year	**11,101,946**	**173,022**
Additions through business combination		**11,031,445**
Disposals	**-**	**(1)**
Amortisation	**(16,023)**	**(102,520)**
Carrying amount at the end of year	**11,085,923**	**11,101,946**

Impairment Testing

The above goodwill arose from the acquisition of Resource Connect Holdings Pty Ltd and Icuro Pty Ltd on 7 March 2018. For the purposes of impairment testing, management has considered that Orcoda Healthcare and Orcoda Resource represents one cash generating unit (CGU) to which this goodwill is allocated to. The recoverable amount of the goodwill has been determined by a value-in-use calculation using a discounted cash flow model for 5 years with a forecast terminal valuation.

Key assumptions are those to which the recoverable amount of the CGU is most sensitive.

The following key assumptions were used in the discounted cash flow model of the CGU to which goodwill has been allocated:
(a) 76% pre-tax discount rate (2018: 30%) or a 55% post-tax discount rate (2018:20%)
(b) Revenue forecasts for FY2020 and FY2021 are based on management's estimate of new contracts to be secured during these years;
(c) Revenue forecasts for period from FY2020 to FY2024 are based on an estimated compound annual growth rate of 43%, which reflects growth from a low base as at 30 June 2019; and
(d) Operating costs and overheads can be managed at minimal levels due to the nature of the Group's principal activities which are software-based.

Based on the above, no impairment was noted at 30 June 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 14 : INTANGIBLE ASSET (Cont)

Sensitivity

As disclosed in note 3, the directors have made judgements and estimates in respect of key assumptions used in theimpairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease.

As revenue represents the key assumption used in the impairment testing, revenue would need to decrease on an annual basis over the projection period by more than 10% before goodwill would need to be impaired, with all other assumptions remaining constant.

NOTE 15 : TRADE AND OTHER PAYABLES	**2019**	**2018**
	$	$
Trade creditors	407,622	830,400
Other payables	35,678	1,122,228
	443,300	**1,952,628**

NOTE 16: PROVISIONS	**2019**	**2018**
	$	$
Employee benefits – annual leave	67,637	88,018
Employee benefits – long service leave	84,382	84,382
	152,019	**172,400**

Balance at the beginning of the year	172,400	184,436
Additional provisions	55,261	67,131
Amount used	(75,642)	(78,167)
Balance at end of the year	**152,019**	**172,400**

NOTE 17: ISSUED CAPITAL	**2019**	**2018**
	$	**$**
Ordinary shares issued and fully paid	**93,230,631**	**91,690,208**

	2019 After consolidation	**2018 before consolidation**	**2018 After consolidation**
Ordinary Shares	**Number**	**Number**	**Number**
At beginning of the year consolidated at 75:1	**87,560,929**	**2,717,016,726**	**36,226,890**
Shares issued	**14,415,103**	**3,850,052,969**	**51,334,040**
At end of year	**101,976,032**	**6,567,069,695**	**87,560,929**

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.
At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.
During the year, Orcoda Limited consolidated its ordinary shares in the ratio of 75:1.

Capital Management

Management controls the capital of the consolidated entity, provide the shareholders with adequate returns and ensure that the consolidated entity can fund its operations and continue as a going concern.

There are no externally imposed capital requirements.

Management effectively manages the consolidated entity's capital by assessing the consolidated entity's financial risks on a monthly basis and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the consolidated entity since the prior year. The consolidated entity's gearing ratio is kept at a minimum. There is no intention to incur debt funding on behalf of the consolidated entity. Ongoing operations will be funded via equity or joint ventures with other companies

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 18 : KEY MANAGEMENT PERSONNEL DISCLOSURES

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

	2019 $	2018 $
Short-term employee benefits	832,798	841,382
Post-employment benefits	-	24,607
Share-based payments	-	324,000
Termination benefits	-	59,530
	832,798	1,249,519

NOTE 19 : REMUNERATION OF AUDITORS

	2019 $	2018 $
Remuneration of the auditor of the parent entity for:		
Audit or review of the financial statements	78,500	78,500
Other services including preparation of tax returns and tax advisory services	-	28,580
	78,500	107,080

NOTE 20 : RELATED PARTY INFORMATION

(a) Parent entity
Orcoda Limited is the parent entity.

(b) Subsidiaries
Interests in subsidiaries are set out in note 11.

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 18 and the remuneration report in the directors' report.

(d) Payables to related parties

	2019 $	2018 $
Payable to I.T.S Worldwide Ltd (director related entity of Bryan Carr)	-	148,500
Payable to Sino-Oz Ltd (director related entity of Brendan Mason)	87,356	216,170
Payable to Tamlin Holdings Pty Ltd (director related entity of Geoffrey Jamieson)	22,916	45,833
Payable to Corporate Development Mentors Pty Ltd (director related entity of Warren Preston)	48,125	27,500
Payable to Garrison Group Trading Trust (director related entity of Scott Mclntosh)	21,790	27,500
Payable to Harkiss Minerals (director related entity of Nicholas Johansen)	4,166	-
Payable to SGA Services Pty Ltd (subsidiary director related entity of Simon Anthonisz)	45,138	27,500
Payable to Hardman Services Pty Ltd (subsidiary director related entity of Sean Hardman)	48,125	27,500
	277,616	520,503

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 20 : RELATED PARTY INFORMATION (Cont)

(e) Transactions with related parties

The following transactions occurred with related parties:

	2019 $	2018 $
Payment for goods and services:		
Payment for consultancy fee to to I.T.S Worldwide Ltd (director related entity of Bryan Carr)	-	73,753
Payment for consultancy fee to Sino-Oz Ltd (director related entity of Brendan Mason)	241,173	315,705
Payment for consultancy fee to Tamlin Holdings Pty Ltd (director related entity of Geoffrey Jamieson)	250,000	83,333
Payment For Capital Raising fee to Tamlin Holdings Pty Ltd (director related entity of Geoffrey Jamieson)	50,000	-
Payment for consultancy fee to Corporate Development Mentors Pty Ltd (director related entity of Warren Preston)	150,000	50,000
Payment for consultancy fee to Garrison Group Trading Trust (director related entity of Scott Mclntosh)	87,500	50,000
Payment for rent in Beijing to Sino-Oz Ltd (director related entity of Brendan Mason)	-	5,445
Payment for consultancy fee to SGA services Pty Ltd (subsidiary director related entity to Simon Anthonisz)	150,000	50,000
Payment for consultancy fee to Hardman services Pty Ltd (subsidiary director related entity to Sean Hardman)	150,000	50,000
	1,078,673	678,236

(c) Tamlin Holdings a company related to Geoffrey Jamieson a Director paid $100,000 to Orcoda Healthcare Logistics Pty Ltd for a License to operate a rental vehicle business and also purchased a vehicle for $48,000 that the Orcoda Healthcare Logistics rents from the Licensee for a net payment of $1508 per month.This transaction was the same as what was being offered to members of the public and was approved by the Independent Directors with Mr Jamieson not being at the meeting when the resolution was voted on.

(d) Pronk Holdings Pty Ltd, a company related to Stephen Pronk, a Director paid $200,000 to Orcoda Healthcare Logistics Pty Ltd for 2 Licenses to operate a rental vehicle business and also purchased a 2 vehicles for $96,000 that the Orcoda Healthcare Logistics rents from the Licensee for a net payment of $1508 per month for each vehicle. These transaction were the same as those that were being offered to members of the public and was approved by the Independent Directors with Mr Pronk not being at the meeting when the resolution was voted on.

NOTE 21 : EARNINGS PER SHARE

Consolidated	2019 cents	2018 cents
Loss per share (basic and diluted) from continuing operations	(0.43)	(9.44)
Earnings (loss) per share (basic and diluted) from discontinued operations	0.28	(1.58)
Loss per share (basic and diluted) for loss attributable to owners of Orcoda Limited	(0.15)	(11.02)

During the current year, Orcoda Limited consolidated its ordinary shares in the ratio of 75:1. This has resulted in an increase in loss per share previously reported for the year ended 30 June 2018 as follows:

	2018 Before consolidation of shares	2018 After consolidation of shares
Loss for the year ended 30 June 2018	(5,833,183)	(5,833,183)
Weighted average number of shares used as the denominator in calculating the basic earnings per share	3,971,507,794	52,953,437
Loss per share (cents per share)	(0.15)	(11.02)

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 22 : SEGMENT INFORMATION

The results of segments that are significant to an understanding of the business as a whole.

(a) Description of segments

The consolidated entity has identified its operating segments based on internal reports that are provided to the Board of Directors on a regular basis.

Pursuant to acquisition of the Resource Connect Group of entities during the financial year 2018, the consolidated entity identified three operating segments - Transport Logistics, Resource Logistics and Healthcare Logistics for the half-year ended 31 December 2018 and this report follows the same segment information.

During the prior periods, the consolidated entity classified operating segments based on geographical locations as it had only one business operation in Australia and China. The consolidated entity has ceased the operations in China.

(b) Segment information

The below segment summary shows operating results (including R&D incentive income) and assets and liabilities by segments:

For the year ended 30 June 2019			**Consolidated**		
	Transport logistics	**Resource logistics**	**Healthcare logistics**	**E-commerce**	**Total**
	$	**$**	**$**	**$**	**$**
Segment revenues	1,218,941	147,849	1,033,110	-	2,399,900
Segment profit / (loss)	106,617	(42,757)	380,988	256,032	700,880

For the year ended 30 June 2018			**Consolidated**		
	Transport logistics	**Resource logistics**	**Healthcare logistics**	**E-commerce**	**Total**
	$	**$**	**$**	**$**	**$**
Segment revenues	974,164	258,978	-	141,862	1,375,004
Segment profit / (loss)	(554,056)	(133,569)	-	(836,165)	(1,523,790)

Reconciliation of reportable segment revenue to consolidated revenue

	2019	***2018***
	$	***$***
Total segment revenue	2,399,900	1,375,004
Interest and other income	520,076	14,005
Total revenue	2,919,976	1,389,009
Disclosed as:		
Revenue from continuing operations	2,430,052	1,247,058
Revenue from discontinued operations (see Note 10)	489,924	141,951
Total revenue	2,919,976	1,389,009

Reconciliation of reportable segment loss to consolidated loss

	2019	**2018**
	$	$
Total gain (loss) for reportable segments	700,880	(1,523,790)
Share based payments	-	(657,392)
Corporate costs	(843,816)	(3,652,001)
Loss before/after income tax	(142,936)	(5,833,183)
Disclosed as:		
Loss from continuing operations	(398,969)	(4,999,129)
Gain (loss) from discontinued operations (see Note 10)	256,033	(834,054)
Loss before/after income tax for the year	(142,936)	(5,833,183)

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 22 : SEGMENT INFORMATION (Cont)

Consolidated

	Transport logistics $	Resource logistics $	Healthcare logistics $	E-commerce $	Total $
Segment assets					
30 June 2019	595,290	119,847	415,408	100,690	1,231,235
30 June 2018	293,813	135,945	-	327,504	757,262
Segment liabilities					
30 June 2019	202,747	63,963	38,079	-	304,789
30 June 2018	336,386	67,778	-	695,692	1,099,856

Reconciliation of reportable segment assets to consolidated assets

	2019 $	2018 $
Reportable segment assets	1,231,235	757,262
Unallocated Assets	11,749,311	13,005,501
Total Assets	12,980,546	13,762,763

Reconciliation of reportable segment liabilities to consolidated liabilities

	2019 $	2018 $
Reportable segment liabilities	304,789	1,099,856
Unallocated Liabilities	290,530	1,025,172
Total Liabilities	595,319	2,125,028

NOTE 23 : COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital Expenditure

There are no capital expenditure commitments as at 30 June 2019 and 30 June 2018.

	2019 $	2018 $
(b) Operating Lease Commitments		
Payable		
Not later than one year	**65,842**	**88,805**
Later than one year but not later than five years	**-**	**41,667**
Total operating lease liability	**65,842**	**130,472**

The property leases are non-cancellable and both expire during financial year ending 2020, the Brisbane office has an option to extend for 2 years and Melbourne is year by year. Rents are payable monthly in advance and are indexed annually to the CPI.

(c) Contingent Liabilities and Contingent Assets

The Company and its controlled entities have no known material contingent liabilities or contingent assets as at 30 June 2019 and 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 24 : NOTES TO THE STATEMENT OF CASH FLOWS

	2019 $	2018 $
Reconciliation of net cash used in operating activities to net loss		
Net loss after income tax	**(142,936)**	**(5,833,183)**
Adjustments for		
Depreciation and amortisation	**22,096**	**135,812**
Equity based payment	**266,422**	**657,392**
Impairment loss	**-**	**1,328,907**
Effects of foreign exchange	**22,636**	**30,742**
Write off of accrual	**(488,502)**	**-**
Doubtful debt written off	**143,964**	**-**
Change in net assets and liabilities:		
(Increase)/ decrease in receivables	**297,326**	**331,568**
(Increase)/ decrease in inventories	**84,063**	**(170,805)**
(Increase)/ decrease in other assets	**(405,957)**	**24,545**
Increase/(decrease) in payables	**(1,509,330)**	**1,204**
Increase/(decrease) in provisions	**(20,380)**	**(11,036)**
Net Cash used in Operating Activities	**(1,730,598)**	**(3,504,854)**

NOTE 25 : FINANCIAL INSTRUMENTS

Market risk

(a) Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The consolidated entity's exposure to foreign currency risk relates primarily to the Chinese Renminbi.

The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2019 $	2018 $	2019 $	2018 $
Chinese Renminbi	-	290,398	-	652,253

For the current financial year, the consolidated entity has no material exposure to foreign currency risk due to its China operations that are now discontinued and held for sale.

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

(c) Interest rate risk
The consolidated entity's exposure to market risk for changes in interest rates relates primarily to interest on deposits with banking institutions. The consolidated entity has no interest bearing borrowings or finance leases.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 25 : FINANCIAL INSTRUMENTS (CONT)

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balance are monitored on an ongoing basis with the result that consolidated entity's exposure to debt is minimal. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

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

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

Liquidity risk
The consolidated entity's has appropriate procedures in place to manage cash flows including continuing monitoring of forecast and actual cash flows to ensure funds are available to meet commitments.
There are no unused borrowing facilities at the reporting date.

The following table details the consolidated entity's financial instrument composition and maturity analysis

	Weighted average effective interest rate	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total $
2019						
Financial assets						
Interest bearing						
Non-interest bearing						
Receivables	-%	35,046	-	-	-	35,046
		35,046	-	-	-	35,046
Financial liabilities						
Non-interest bearing						
Payables	-%	443,300	-	-	-	443,300
Other borrowings	-%	-	-	-	-	-
		443,300	-	-	-	443,300
Net financial liabilities		408,254	-	-	-	408,254
2018						
Financial assets						
Interest bearing						
Non-interest bearing						
Receivables	-%	332,373	-	-	-	332,373
		332,373	-	-	-	332,373
Financial liabilities						
Non-interest bearing						
Payables	-%	1,952,628	-	-	-	1,952,628
Other borrowings	-%	-	-	-	-	-
		1,952,628	-	-	-	1,952,628
Net financial liabilities		1,620,255	-	-	-	1,620,255

Fair value of financial instrument
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 26 : EVENTS AFTER REPORTING PERIOD

On the 6 September 2019 the Company raised $1,050,000 from the placement of 6,562,500 ordinary shares at 16 cents per ordinary share.

No other matter or circumstance has arisen since 30 June 2019 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

NOTE 27 : PARENT ENTITY STATEMENT OF FINANCIAL POSITION

	Company	
	2019	2018
	$	$
Total Current Assets	**801,297**	**1,973,351**
Total Non-Current Assets	**14,156,659**	**13,412,093**
TOTAL ASSETS	**14,957,956**	**15,385,444**
TOTAL CURRENT LIABILITIES	**343,620**	**1,025,160**
NET ASSETS	**14,614,336**	**14,360,284**
Equity		
Issued capital	**93,230,632**	**91,690,209**
Reserves	**1,994,869**	**2,368,069**
Accumulated losses	**(80,611,165)**	**(79,697,994)**
TOTAL EQUITY	**14,614,336**	**14,360,284**
Loss for the year	**(913,171)**	**(4,874,665)**
Other comprehensive income/(loss) for the year	**-**	**-**
Total comprehensive loss for the year	**(913,171)**	**(4,874,665)**

The parent entity had no capital commitments as at 30 June 2019 and 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2019

NOTE 28 : SHARE BASED PAYMENTS

(i) During the year, the Company issued shares to directors in lieu of previous year's director fees as set out below:

Name	Date	Shares	Issue price	$
Mark Vaile	7 August 2018	20,300,813	$0.004	$81,203
Brendan Mason	7 August 2018	26,193,494	$0.004	$104,774
Ian Tang	7 August 2018	7,945,313	$0.004	$31,781

(ii) During the year, the Company granted no options to external parties for services received in relation to capital raising activities.

(iii) A summary of company options issued is set out below:

Grant date	**Expiry date**	**Exercise price**	**Balance at the start of the year**	**Granted**	**Exercised**	**Expired / forfeited**	**Balance at the end of the year**
28/08/2017	28/08/2019	$0.075	816,667	-	-	-	816,667
28/08/2017	28/08/2019	$1.125	816,667	-	-	-	816,667
7/03/2018	5/03/2021	$0.5625	2,000,000	-	-	-	2,000,000
7/03/2018	5/03/2021	$0.5625	200,000	-	-	-	200,000
			3,833,334	-	-	-	3,833,334
Weighted average exercise price			$0.72	-	-	-	$0.72

The weighted average remaining contractual life of options outstanding at year-end was 12.6 months.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORCODA LIMITED

Opinion

We have audited the financial report of Orcoda Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion

a) the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of $142,936 and had net operating cash outflows of $1,730,598 during the year ended 30 June 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Impairment of Intangibles Refer to Note 14 in the financial statements	
The Consolidated Entity has recognised goodwill of $11 million relating to its acquisition of Resource Connect Holdings Pty Ltd, Icuro Pty Ltd and controlled entities. This was considered a Key Audit Matter due to the materiality of the goodwill balance, and because the directors' assessment of the 'value-in-use' of the cash generating unit ("CGU") involves judgements about the future underlying cash flows of the business and the discount rates applied to it.	Our audit procedures in relation to management's impairment assessment included: • Assessing management's value-in-use methodology of the CGU to which the goodwill is allocated; • Challenging the reasonableness of key assumptions used in management's value-in-use calculations, including the cash flow projections, discount rates, and sensitivities used; • Undertaking enquiries and assessing during the measurement period whether identifiable intangibles existed at the date of acquisition; • Assessing the carrying value of goodwill for indicators of impairment; • Assessing the appropriateness of the Consolidated Entity's disclosures relating to intangibles impairment in accordance with the disclosure requirements of AASB 136.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and the auditor's report thereon.

Other Information (Continued.)

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the 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 ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf.

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 12 to 17 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Orcoda Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

RSM

RSM AUSTRALIA PARTNERS

P A RANSOM
Partner

Dated: 26 September 2019
Melbourne, Victoria

ADDITIONAL INFORMATION

Additional information required under ASX Listing Rule 4.10 and not shown elsewhere in this Annual Report is as follows. This information is current as at 14 September 2019.

(a) Substantial Shareholders

The names of the Substantial Shareholders listed in the Company's Register as at 14 September 2019

Shareholder	No. of Shares
HSBC Custody Nominees (Australia) Limited – A/C	15,652,968
<Tamlin Super Fund A/C>	8,916,732
Hardman FIFO Pty Ltd <Hardman FIFO A/C >	8,764,104
Janegold Pty Ltd <CICO A/C >	8,764,104
Halcyon United Pty Ltd <Mcintosh Family No 1 A/C >	8,764,104
Pronk Holdings Pty Ltd	6,625,000

This table discloses Relevant Interests in shares as defined by the Corporations Act and does not reflect beneficial interests in shares.

(b) Twenty Largest Shareholders

The names of the twenty largest shareholders fully paid shares in the Company at 14 September 2019 post 75:1 consolidation are:

		No. of Ordinary Fully Paid Shares Held	Percentage Held Issued Ordinary Capital
1.	HSBC Custody Nominees (Australia) Limited – A/C	15,220,908	14.93
2.	Tamlin Super Fund	8,916,732	8.75
3.	Hardman FIFO Pty Ltd <Hardman FIFO A/C >	8,764,104	8.59
4.	Janegold Pty Ltd <CICO A/C >	8,764,104	8.59
5.	Halcyon United Pty Ltd <Mcintosh Family No 1 A/C >	8,764,104	8.59
6.	Pronk Holdings	6,625,000	6.50
7.	Dymock Securities Pty Ltd	5,432,714	5.33
8.	Loyal Strategic Investment Ltd	3,145,228	3.08
9.	Sino Oz Limited	1,429,247	1.40
10.	MCCB Investments Pty Ltd <CMW 2 A/C>	1,403,550	1.38
11.	Bid Pty Ltd <BF A/C>	1,250,000	1.23
12.	Mrs Louise Anne Read	1,250,000	1.23
13.	Tulip Super Pty Ltd <Tulip Super Fund>	1,250,000	1.23
14.	Jamajon Pty Ltd	1,088,693	1.07
15.	Ocean Magic Investments Ltd (Hong Kong Crn 1621842)	1,082,312	1.06
16.	Blamnco Trading Pty Ltd	1,000,000	0.98
17.	SGA Services Pty Ltd	991,949	0.97
18.	Mr Peter Tracy/Mrs Adrienne Tracy<P&A Tracy Super Fund	991,949	0.97
19.	RR Thomson Super Pty Ltd <RR Thompson Super Fund>	875,000	0.86
20.	Tulip Super Pty Ltd <Tulip Superannuation Fund A/C>	713,334	0.70
		78,958,928	77.46%

SHAREHOLDER INFORMATION (Cont.)

(c) Distribution of Shareholders post consolidation

(i) Ordinary Shareholders

Spread of Holding	Holders	Shares Held	% of Issued Capital
1 - 1,000	1,057	421,878	0.41
1,001 - 5,000	685	1,576,947	1.55
5,001 - 10,000	208	1,474,106	1.45
10,001 - 100,000	303	8,700,799	8.53
100,001 and over	62	89,802,302	88,06
	2,315	101,976,032	100.00

(d) Less than marketable parcels of ordinary shares post consolidation
There are 1,784 shareholders with unmarketable parcels totalling 2,221,958 shares.

(e) Options over Unissued Shares
A total of 2,200,000 unlisted options are on issue as at 9 September 2019.

(f) Restricted Securities
The Company had no restricted securities on issue as at 9 September 2019 .

(g) Voting Rights
In accordance with the Constitution each member present at a meeting whether in person, or by proxy, or by power of attorney, or in a duly authorised representative in the case of a corporate member, shall have one vote on a show of hands, and one vote for each fully paid ordinary share, on a poll. Option holders have no voting rights.

(h) On-Market Buy-Backs
There is no current on-market buy-back in relation to the Company’s securities.

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