25 August 2020

Manager of Company Announcements
ASX Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

By E-Lodgement

Appendix 4E, Audited Financial Statements and Annual Report

JCurve Solutions Limited (ASX: JCS) ("JCS" or "the Company") attaches the following documents in relation to FY2020:

- Appendix 4E
- Audited Financial Statements and Annual Report

This release has been authorised by the JCS Board.

About JCurve Solutions

JCurve Solutions is a trusted technology solutions partner, listed on the ASX (JCS). The team at JCS utilise the power of the cloud to help customers make lasting, substantial improvements to their performance and grow into great businesses. Learn more: www.jcurvesolutions.com.

25 August 2020

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ASX Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

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JCurve Solutions' Annual Financial Results

Results for Announcement to the Market

The operating results for the year to 30 June 2020 are shown with comparisons to the previous corresponding period, being the year ended 30 June 2019.

	Year ended 30 June 2020 $	Year ended 30 June 2019 $	Percentage increase / (decrease) over previous corresponding period
Revenue	11,213,413	12,579,475	11% decrease
Earnings before interest, taxation, depreciation and amortization (EBITDA)	670,501	852,589	21% decrease
Net (loss)/profit before tax	(145,219)	604,387	Not applicable (*)
Net (loss)/profit after tax	(335,419)	338,114	Not applicable (*)
(Loss)/profit from ordinary activities after tax attributable to members	(335,419)	338,114	Not applicable (*)
Net (loss)/profit for the period attributable to members	(335,419)	338,114	Not applicable (*)

(*) movement from profit to loss during the year

Dividends
No dividends were paid during the financial year. The Board advises that it does not intend to declare a final dividend for the financial year, and it will consider reinstating the dividend policy in the future once expansion opportunities have been formally evaluated.

Net Tangible Assets / Earnings Per Share

	30 June 2020	30 June 2019
Net tangible assets per ordinary share for continuing operations	0.55 cents	0.56 cents
Basic (loss)/profit per ordinary share for continuing operations	(0.10 cents)	0.10 cents

Independent Audit Report

The information outlined above is presented in accordance with ASX Listing Rule 4.3A and the Corporations Act 2001 (Corporations Act). The Appendix 4E is based on the audited Annual Financial Report for the year ended 30 June 2020. The Independent Audit Report is included in the Annual Financial Report.

Accounting Policies, Estimation Methods and Measurements

JCurve Solutions has elected to apply the modified retrospective approach from 1 July 2019 for AASB 16 and as such the Prior year comparative numbers have not been restated. Refer to note 25 of the 30 June 2020 Annual Report for further details on JCurve Solutions new accounting policy for accounting for leases.

All other accounting policies, estimation methods and measurement bases used in the Appendix 4E are the same as those used in the previous annual report and half-year report.

Explanation of Result

Revenue decreased by 11% to $11.2 million compared to $12.6 million in the previous corresponding period primarily because of the quarter four impacts from the Covid-19 pandemic after growth was achieved in 1HY2020. JCurve Solutions sales declined by 32% in quarter four FY2020 while revenue declined by 8%. Despite the decline in revenue across FY2020 it was in line with the bottom end of the guidance that was provided to the market in November 2019. The revenue result is in line with that reported in the July 2020 preliminary unaudited result.

While strong revenue growth was achieved by our Asian operations (283%) and Riyo division (2232%) in FY2020, the impact of the Covid-19 pandemic was particularly significant on the Australian ERP new business sales result for quarter four and saw the FY2020 revenue decline by 18% while TEMS revenue was stable at 99% of FY2019 levels continuing the trend of reducing customer churn.

	Year ended 30 June 2020 $	Year ended 30 June 2019 $
Revenue	11,213,413	12,579,475
Earnings before interest, tax, depreciation and amortisation (EBITDA)	670,501	852,589
Net profit before tax (NPBT)	(145,219)	604,387
Net profit after tax (NPAT)	(335,419)	338,114

The financial performance for the year resulted in a decline across the consolidated entity key metrics of Revenue, EBITDA, NPBT and NPAT.

Furthermore, JCurve Solutions generated cash outflows for FY2020 of $0.6 million, with a 30 June 2020 cash balance of $4.2 million, down from $4.8 million as at 30 June 2019, with $0.4 million paid during the year for a deferred acquisition payment on the Spectrum business acquisition. The Company continues to have strong cash reserves, no external debt and annual ERP recurring revenue streams exceeding $7m, ensuring that the Company is in a strong position to take advantage of M&A opportunities as they arise.

Annual General Meeting and ASX Listing Rule Notification Requirements

The 2020 Annual General Meeting (AGM) is scheduled for 9.30am Monday 23 November 2020. Further details will be provided in due course.

The location of the AGM is subject to COVID-19 restrictions, including regulatory requirements. Further details of the location, or whether the meeting will be held as a hybrid or virtual meeting, will be confirmed closer to the AGM.

Further to Listing Rule 3.13.1, Listing Rule 14.3 and Clause 13.3 of the Company's Constitution, nominations for election of directors at the AGM must be received not less than 30 Business Days before the meeting, being no later than Monday 12 October 2020.

Yours faithfully

Bruce Hatchman
Chairman

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JCurve Solutions Limited

Annual Financial Report
For the year ended 30 June 2020

JCurve Solutions Limited
ABN 63 088 257 729
Level 8, 9 Help Street
Chatswood NSW 2067
[T] +61 2 9467 9200

Contents

CORPORATE INFORMATION

ABN 63 088 257 729

Directors
Mr Bruce Hatchman
Mr Mark Jobling
Mr David Franks
Mr Graham Baillie (appointed 26 August 2019)

Company Secretary
Mr David Franks

Registered office
Level 5/126 Phillip St,
Sydney NSW 2000
+61 2 8072 1400

Principal place of business in Australia
Level 8, 9 Help Street,
Chatswood, NSW 2067
Ph. +61 2 9467 9200

Share Register
Automic Registry Services
Level 5/126 Phillip St, Sydney NSW 2000
1300 288 664 or +61 2 9698 5414

Auditor for JCurve Solutions Limited
BDO Audit Pty Ltd
Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

Securities Exchange Listings
Australian Securities Exchange
ASX Code: JCS

Website address
www.jcurvesolutions.com

Key Dates
Annual General Meeting: 23 November 2020

CHAIRMAN'S LETTER

Despite the challenging economic conditions and uncertainty resulting from the Covid-19 pandemic, your Company is in a strong financial position and we remain optimistic of JCurve Solutions future growth prospects. Like so many Companies, JCurve Solutions' results over the past six months have been adversely affected by the unprecedented events related to the Covid-19 pandemic.

After achieving strong growth for the first half of FY2020 which included 15% growth in sales and 11% growth in revenue as compared against the comparative 1HY2019 period, further research and development activities on the Riyo platform, and the signing of a channel partnership with Epicor, the impact of the Covid-19 pandemic saw a number of expected large ERP and Riyo new business opportunities in Australia and Asia lost or delayed. This resulted in a 32% decline in quarter four new business sales against the 2019 comparative period while revenue for FY2020 decreased by 8%.

Covid-19 has accelerated business change and we are starting to see higher levels of interest in cloud adoption and digital transformation, especially in Asia which your Company is well positioned to take advantage of once the financial restraints from the Covid-19 pandemic on customers is reduced.

Strategic Priorities

The company remains committed to our growth strategy although the Covid-19 pandemic has reduced the pace at which the Group has been able to execute its strategic priorities as outlined below.

1) To rapidly grow our Asia operations;

During FY2020 we achieved several key objectives for our growing Asian operations:

- We won two larger NetSuite new customer contracts worth $0.4 million in sales income;
- We established the delivery centre of excellence in Manila;
- We have recruited to strengthen our sales team in Singapore; and
- We expanded the territory of the NetSuite Solution Provider Agreement to include the Philippines; and generated $1.2 million of sales (up from $0.5 million in FY2019)

2) To grow our Oracle NetSuite ERP practice in Australia

While growth was not achieved, with more than $6 million of recurring revenue and managing in excess of 550 customers, in FY2020 there were several highlights across the year:

- We saw reducing levels of customer churn (6% for FY2020 down from 7.5%); and
- We continued as a 5-star NetSuite solution partner thereby guaranteeing JCS receives the highest level of commissions on NetSuite edition licence sales.

3) To grow our Riyo business at a faster pace

We continue to generate strong interest in our wholly owned Riyo solution. In FY2020 we:

- Completed research and development activities on the core solution;
- Significantly increased the market exposure for the solution;
- Became an Alliance ISV (independent software vendor) partner for Epicor Software Corporation after a comprehensive selection and technical due diligence process;
- Have a strong and growing pipeline of Epicor aged care opportunities;
- We have won several new customers; and
- Generated $0.2 million of income.

Financial Commentary

The statutory revenue generated for FY2020 was $11.2 million (2019: $12.6 million) while a statutory pre-tax loss of $0.1 million was generated (2019: $0.6 million profit). The normalised EBITDA was $0.7 million, down from $0.9 million in FY2019.

Your company remains in a strong financial position which is supported by annual ERP recurring revenue streams exceeding $7 million, a cash balance of $4.2 million as at the end of June 2020 and no external debt which positions the Company to be in a position to take advantage of suitable M&A opportunities as they arise. We are continually reviewing opportunities, however the CV 19 conditions is making M&A activity difficult to undertake mainly due to physical restrictions on meetings and site visits.

We have implemented a number of cost saving initiatives to shore up the Company's financial position in the face of uncertain economic times, including pay freezes for FY2021 and waiving Executive Team bonuses. These initiatives have been implemented to ensure that JCurve Solutions will not only withstand the implications of the pandemic and general downturn in market conditions, but emerge stronger. We continue to closely monitor our cash reserves, forecasting various scenarios and assessing our cost structure.

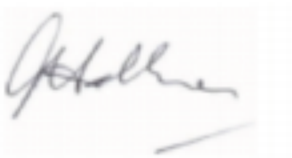
Key Focus Areas

Our focus remains on the delivery of exceptional service and value for our customers, delivering strong growth in value for our shareholders and ensuring that we provide our employees with a safe working environment and good career opportunities.

In late March 2020, all office locations enacted their Business Continuity Plans which has included all our employees working from home.

Our team continues to focus on ensuring we maintain a very strong, high performance culture which is critical in attracting and retaining the right talent in competitive market conditions.

I would like to thank our employees, customers and shareholders for your ongoing support over the past year. While these are challenging times, your Company is well positioned. I can assure you that your Board and Management Team are working diligently to ensure that JCurve Solutions not only survives but is ready to take advantage of the technological changes that are and will arise as businesses adapt to a changing world.



Bruce Hatchman
Chairman

DIRECTORS' REPORT

Your directors present the annual financial report of the consolidated entity (referred to hereafter as JCurve Solutions or the Group) consisting of JCurve Solutions Limited and the entities it controlled at the end of, or during, the year ended 30 June 2020. In order to comply with the provisions of the *Corporations Act 2001*, the Directors' Report is as follows:

Directors and Company Secretary

The names of directors who held office during or since the end of the year and until the date of this report are as follows. Directors were in office for the entire year unless otherwise stated.

Names, qualifications, experience, and special responsibilities

Bruce Hatchman FCA MAICD JP (Non-Executive Chairman)	
Experience and expertise	Bruce Hatchman was appointed as the Chairman of JCurve Solutions on 27 November 2014. Bruce is an experienced and successful finance professional. As the former Chief Executive of Crowe Horwath, Bruce has over 40 years' experience in providing audit and assurance, and M&A services to listed companies and other consulting services to large private enterprises. Bruce is a qualified Chartered Accountant and a member of the Australian Institute of Company Directors.
Directorships of other listed companies	Bruce is currently a Non-Executive Director of Consolidated Operations Group Limited.
Former directorships of other listed companies	None.
Special responsibilities	Member of the Audit & Risk Management Committee and Chairman of the Remuneration Committee.

David Franks B.Ec, CA, F Fin, FGIA, JP. (Non-Executive Director and Company Secretary)	
Experience and expertise	David Franks joined JCurve Solutions on 15 September 2014 as Company Secretary and a Non-Executive Director. He is a Chartered Accountant, Fellow of the Financial Services Institute of Australia, Fellow of the Governance Institute of Australia, Justice of the Peace, Registered Tax Agent and holds a Bachelor of Economics (Finance and Accounting) from Macquarie University. With over 20 years in finance and accounting, initially qualifying with Price Waterhouse in their Business Services and Corporate Finance Divisions, David has been CFO, Company Secretary and/or Director for numerous ASX listed and unlisted public and private companies, in a range of industries covering energy retailing, transport, financial services, mineral exploration, technology, automotive, software development and healthcare. David is currently the Company Secretary for the following public entities: AUB Group Limited, Aumake International Limited, Noxopharm Limited, Nyrada Inc, Consolidated Operations Group Limited, White Energy Company Limited, White Energy Technology Limited and ZIP Co Limited. David is also a Director and Principal of Automic Group Pty Ltd.
Directorships of other listed companies	None.
Former directorships of other listed companies	None.
Special responsibilities	Chairman of the Audit & Risk Management Committee and Member of the Remuneration Committee.

Mark Jobling B. Eco, B Laws (Hons) (Non-Executive Director)	
Experience and expertise	Mark Jobling joined the company on 8 April 2015 as a Non-Executive Director. Mark is a substantial shareholder of the Company and holds a Bachelor of Economics and Bachelor of Laws (Hons) from Monash University. Mark manages investments in a diverse range of industries including power technology and angel investing in Asian start-up companies and is currently based in Hong Kong. He began his career as a commercial lawyer with Mallesons Stephen Jaques in Australia and went on to hold senior executive roles in multi-billion dollar companies, including Managing Director of South East Asia and Taiwan for CLP Holdings Limited, and CEO of OneEnergy Limited, a CLP/Mitsubishi Corporation joint venture in Asia. Mark is the Chairman of Tomorrow Entertainment Holdings Pte Ltd.
Directorships of other listed companies	None.
Former directorships of other listed companies	None.
Special responsibilities	Member of the Remuneration Committee.

DIRECTORS' REPORT (continued)

Names, qualifications, experience, and special responsibilities (continued)

Graham Baillie FAICD (Non-Executive Director) from 26 August 2019	
Experience and expertise	Graham Baillie rejoined the Group as a Non-Executive Director on 26 August 2019. Graham originally joined the Company in September 2007 as a non-executive Director and was appointed Chairman in May 2012, briefly serving as Managing Director for period December 2013 to June 2014 before returning to position of Chairman in July 2014. During this time, he saw the listing of JCurve Solutions Limited through Stratatel Limited. Graham is JCS's majority shareholder through shares held by his family's superannuation fund. In 1994, Graham established Outsource Australia Pty Ltd (OSA) to provide "white collar" business process outsourcing (BPO) services to both the private and public market sectors in Australia. In his capacity as majority shareholder and Chief Executive Officer he developed the company nationally and internationally. Today OSA is known as Converga. Prior to this, Graham was with AUSDOC during its formative years through to its ultimate ASX listing in September 1993. In this time he was not only integral to the development of the company throughout Australia but was also involved in establishing similar business operations in New Zealand, USA and United Kingdom.
Directorships of other listed companies	None.
Former directorships of other listed companies	None.
Special responsibilities	Member of the Audit & Risk Management Committee.

Interests in the shares and options of the Group and related bodies corporate

As at the date of this report, the interests of the directors in the shares and options of JCurve Solutions were:

	Ordinary Shares	Options over Ordinary Shares
M Jobling	50,704,301	-
B Hatchman	3,500,000	-
D Franks	4,206,174	-
G Baillie	83,124,215	
	141,534,690	-

A new equity incentive plan was approved by shareholders at the Annual General Meeting held on 19 November 2019. On 7 February 2020, 10,800,000 performance rights were issued to employees under this plan. The Performance Rights under this plan vest in three tranches in January 2021, January 2022 and January 2023 and have both a performance and service condition before converting into shares.

Dividends and shareholder returns

No dividends were declared or paid during the financial year ended 30 June 2020.

Principal activities

The principal activities of JCurve Solutions during the year ended 30 June 2020 continues to be the sale of software solutions and products in the Australia and South East Asian region with the aim of creating an exceptional customer experience. In more detail the principal activities included:

1) the sale, implementation and support of Enterprise Resource Planning (ERP) solutions, which consisted of:
   (i) the exclusively licensed small business edition of Oracle NetSuite, JCurveERP (in Australia and New Zealand);
   (ii) the Oracle NetSuite mid-market and enterprise editions (in Australia, New Zealand and South East Asia);
2) the sale and support of proprietary Telecommunications Expense Management Solutions; and
3) the continued development of Riyo, the Group's proprietary owned Service Management Platform including the sale and support of the platform to paying customers.

DIRECTORS' REPORT (continued)

Review of Operations - Operating financial review

Financial Results for the Year

The Group recognised a loss after tax of $0.3 million for year ended 30 June 2020 (2019 $0.3 million profit).

The 'Normalised EBITDA' for the full year ended 30 June 2020 was $0.7 million (2019 $0.9 million), which has been determined as follows:

	Consolidated ($)	
	2020	**2019**
Total comprehensive (loss)/income for the year	**(298,804)**	338,114
Add Back: Non-cash expenses:		
Depreciation / amortisation	**817,201**	254,490
Total non-cash expenses	**817,201**	254,490
Income tax expense	**153,585**	266,273
Interest income/finance costs	**(1,481)**	(6,288)
Normalised EBITDA	**670,501**	852,589

The Normalised EBITDA for the year end 30 June 2020 includes the impact from the adoption of AASB 16 – Leases which has positively impacted the normalised EBITDA for the year ended 30 June 2020 by $500,247. The Group has elected to apply the modified retrospective approach from 1 July 2019 and as such the prior year comparative numbers have not been restated.

Normalised EBITDA is a financial measure which is not prescribed by Australian Accounting Standards (AAS) and represents the profit under AAS adjusted for specific significant items. The table above summarises key items between the statutory loss after tax and normalised EBITDA. The directors use normalised EBITDA to assess the performance of the Group.

Normalised EBITDA has not been subject to any specific review procedures by our auditor but has been extracted from the accompanying audited financial report.

The Group's total revenue for the year ended 30 June 2020 was $11.2 million (2019: $12.6 million), which includes revenue from the sale of JCurveERP/NetSuiteERP licenses and accompanying support and implementation revenue in Australia of $8.0 million (2019: $9.8 million), revenue from the sale of NetSuiteERP licenses and accompanying support and implementation revenue in Asia $1.0 million (2019: $0.4 million), revenue from the sale of Telecommunications Expense Management Solutions $2.1 million (2019: $2.3 million) and revenue from the sale and implementation of the Riyo solution $0.1 million (2019: Nil).

Total expenses including depreciation for the full year ended 30 June 2020 was $11.7 million (2019: $12.2 million). The largest expense during the year ended 30 June 2020 was amounts paid to employees with $6.2 million being paid or accrued (2019: $6.1 million).

The impact of the Covid-19 pandemic on the Group's financial results is summarised as follows:

- The quarter four Australian new business ERP sales, the quarter of highest volume each year were down 36% from the comparative FY2019 Q4 result with customers deferring procurement decisions;
- The quarter four Australian upsell ERP sales, were down 42% from the comparative FY2019 Q4 result with customers deferring procurement decisions;
- The majority of the pipeline of Riyo opportunities (both direct and through the Epicor partnership), which was expected to close in Q4 has slipped 6+ months due to the uncertainity surrounding the pandemic;
- Receipt of government subsidies from the JobKeeper Payment had been received ($0.2 million) or accrued ($0.1 million) as at 30 June 2020;
- A decrease in expenditure from rental relief, Executive bonuses being waived, reduced travel expenditure and general cost saving initiatives.

DIRECTORS' REPORT (continued)

Financial Position as at 30 June 2020

The Group generated cash outflows for FY2020 of $0.6 million, with a 30 June 2020 cash balance of $4.2 million, down from $4.8 million as at 30 June 2019, with $0.4 million paid during the year for a deferred acquisition payment on the Spectrum business acquisition.

Despite the exceptionally challenging market conditions associated with the Covid-19 pandemic, JCurve Solutions remains in a strong financial position, supported by annual recurring revenue streams exceeding $7 million, a cash balance of $4.2 million as at 30 June 2020 and no external debt.

The increase in assets from $12.3 million as at 30 June 2019 to $14.0 million as at 30 June 2020, is primarily the result of the recognition of a $2.5 million unamortised right of use asset on the Group's leased properties and equipment on the adoption of AASB 16.

The liabilities balance increased from $7.0 million as at 30 June 2019 to $9.1 million as at 30 June 2020 which is primarily the result of recognising a $2.5 million lease liability in respect of the Group's leased properties and equipment on the adoption of AASB 16.

Risk management

The Group recognises the need to pro-actively manage the risks and opportunities associated with both day-to-day operations of the Group and its longer term strategic objectives and has developed a risk management policy.

The Board is responsible for the establishment, oversight and approval of the Group's risk management strategy, internal compliance and controls. The Board is also responsible for defining the "risk appetite" of the Group so that the strategic direction of the Group can be aligned with its risk management policy.

The Group has the following risk management controls embedded in the Group's management and reporting system:

1) A comprehensive annual insurance program facilitated by an external broker;
2) A monthly risk register which is reviewed by the Executive Management Team and reported to the Board;
3) Annual Strategic and operational business plans; and
4) Annual budgeting and forecasting and monthly reporting systems which enable the monitoring of performance against expected targets and the evaluation of trends.

The Chief Executive Officer and Chief Financial Officer through monthly Board papers, report to the Board as to whether all identified material risks are being managed effectively across the Group.

During the year, ongoing monitoring, mitigation and reporting on material risks was conducted by Executive Management Team, the Audit and Risk Committee and the Board and took place in accordance with the process disclosed above.

A copy of the Risk Management Policy can be found on the Group's website: https://www.jcurvesolutions.com/wp-content/uploads/2016/12/JCurve-Solutions-Risk-Management-Internal-Compliance-and-Control-Policy.pdf

Significant changes in the state of affairs

There were no significant changes in the state of affairs of JCurve Solutions during the financial year.

Events since the end of the financial year

Since the end of the financial year stage four lockdown restrictions have been enacted in Victoria for a period of six weeks from 2 August 2020. Our office in Victoria remains closed and the Group continues to operate under its business continuity plan in all locations which includes all employees working from home. Under the increased lockdown the Group expects that winning new business sales will remain very challenging while additional churn across the ERP and TEMS customer portfolio may occur as businesses struggle with the enforced lockdown.

A similar lockdown has been enacted in the Philippines which has similarly delayed the first customer ERP sales in the region.

With the exception of the Victorian stage four lockdown and Philippines lockdown, no other significant matters or circumstances have arisen since 30 June 2020 that have significantly affected, or may significantly affect:

1) the Group's operations in future financial years, or
2) the results of those operations in future financial years, or
3) the Group's state of affairs in future financial years.

DIRECTORS' REPORT (continued)

Likely developments and expected results of operations

The Group's likely developments and expected results of operations are summarised through its three core strategic priorities:

- Rapidly grow our Asia operations;
- Grow our Oracle NetSuite ERP practice in Australia; and
- Grow our Riyo business at a faster pace.

While the Covid-19 pandemic has negatively impacted the speed at which the Group has been able to execute its strategic priorities, the Group remains committed to achieving its stated strategy. The Covid-19 has accelerated business change and the Group is expecting that as the economies recovery we will see increasing numbers of Companies further embracing Cloud Technology.

1) Rapidly grow our Asia operations

After acquiring the Spectrum business, the Group has been focused on expanding the size of the team, expanding the territories and expanding the customer base. This expansion is expected to continue at pace following the establishment of the JCS brand in Asia with increasing numbers of customers won in the South East Asian region and further increases in the size of our centre of excellence in Manila.

2) Grow our Oracle NetSuite ERP practice in Australia

Low to moderate new business growth is expected for our Australian ERP division in the short term as a result of the Covid-19 pandemic with new business opportunities closed being more sporadic and customers delaying projects. We are forecasting an increase in customer churn as a result of an increasing number of customers unfortunately either going out of business or alternatively decreasing license numbers.

3) Grow our Riyo business at a faster pace

The Group's 100% owned Riyo solution continues to receive strong feedback from its first customers, some of whom have now been using the solution for 12+ months. In the short term, the Group is planning to aggressively launch the solution to the Asian market and is forecasting exponential growth through both Direct sales and an expansion of channel partnerships. The Group is forecasting that it will continue to undertake product enhancements and undertake research and development in line with the aggressive growth targets for the solution.

4) Other

The Group continues to explore M&A opportunities in both Australia and Asia related to the acquisition of Product IP and complimentary opportunities to our existing software solutions.

The Group is forecasting a further decline in TEMS revenue while the TEMS solutions in the short term are forecast to continue providing profitable contributions to the Group result.

After implementing a number of cost saving initiatives and having a strong financial position, allows the Directors to remain confident that the Group will be not only withstand the implications of the Covid-19 pandemic and general downturn in market conditions, but will emerge stronger.

Environmental regulation

The Group is not subject to any significant environmental legislation. The Group does not meet either the facility or the corporate group threshold for registration under the National Greenhouse and Energy Reporting Act 2007.

The Group continues to improve work practices in its pursuit of reducing paper usage as much as possible and work electronically.

Indemnification of Directors, Officers and Auditors

The Group has agreed to indemnify all the directors and officers for any breach of laws and regulations arising from their role as a director and officer. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

JCurve Solutions has not indemnified or agreed to indemnify an auditor of the Group or any related body corporate against liability incurred as an auditor.

DIRECTORS' REPORT (continued)

Meetings of Directors

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors' Meetings (Eligible to attend)	Directors' Meetings (Attended)	Audit & Risk Management Committee Attended/(Eligible)	Remuneration Committee Attended /(Eligible)
Number of meetings held:	7		4	2
Number of meetings attended:				
Bruce Hatchman	7	7	4 (4)	2 (2)
David Franks	7	7	4 (4)	2 (2)
Mark Jobling	7	7	1 (1)	2 (2)
Graham Baillie	6	6	3 (3)	Not a committee member

Retirement, election and continuation in office of Directors

It is the Board's policy to consider the appointment and retirement of Non-Executive Directors on a case-by-case basis. In doing so, the Board must take into account the requirements of the Australian Securities Exchange Listing Rules and the *Corporations Act 2001.*

Clause 13.4 of the JCurve Solutions Constitution allows the Directors to at any time appoint a person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the JCurve Solutions Constitution. Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting. There have been no such appointments during the year.

Clause 13.2 of the JCurve Solutions Constitution requires that no director who is not the Chief Executive Officer may hold office without re-election beyond the third AGM following the meeting at which the director was last elected or re-elected.

The current board was re-elected by shareholders at the following prior AGMs:
2019: David Franks and Graham Baillie;
2018: Mark Jobling;
2017: Bruce Hatchman.

Therefore, under Clause 13.2 of the Constitution, Bruce Hatchman and Mark Jobling are due for election at the Next Annual General Meeting under the noted time period.

Proceedings on behalf of the company

No person has applied for leave of the Court to bring proceedings on behalf of the Company or 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.

Auditor Independence and Non-Audit Services

Section 307C of the *Corporations Act 2001* requires our auditors, BDO Audit Pty Ltd, to provide the directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 22 and forms part of this Directors' Report for the year ended 30 June 2020.

Non-Audit Services

There were no non-audit related activities carried out by the Company's auditors during the year ended 30 June 2020.

Corporate Governance Statement

In fulfilling its obligations and responsibilities to its various stakeholders, the Board is a strong advocate of corporate governance. The Board supports a system of corporate governance to ensure that the management of JCurve Solutions is conducted to maximise shareholder wealth in a proper and ethical manner.

The Corporate Governance Statement and other corporate governance practices which outline the principal corporate governance procedures of JCurve Solutions can be found on the company's website at: http://www.jcurvesolutions.com/corporate-governance/.

Remuneration report (Audited)

The directors are pleased to present JCurve Solutions Limited's ("the Company's") remuneration report for the year ended 30 June 2020. The remuneration report is prepared in accordance with section 300A of the *Corporations Act 2001* and has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The remuneration report outlines the key aspects of JCurve Solutions remuneration policy, framework and remuneration awarded for JCurve Solutions directors and executives. The Executives for the purpose of this report are Key Management Personnel who are not Non-Executive Directors.

The Remuneration Report is structured as follows:
1) Directors and other Key Management Personnel
2) Remuneration Governance
3) Remuneration Structure
4) Remuneration of key management personnel
5) Relationship between remuneration and JCurve Solutions performance
6) Voting and comments made at the Company's 2019 Annual General Meeting
7) Details of share-based compensation
8) Shareholdings of Key Management Personnel
9) Transactions with Directors and Key Management Personnel

1) Directors and other Key Management Personnel

Non-Executive Directors	
Bruce Hatchman	Non-Executive Chairman – Independent
David Franks	Non-Executive Director – Independent
Mark Jobling	Non-Executive Director – Not Independent
Graham Baillie	Non-Executive Director – Not Independent
Executive Management Team (Executives)	
Stephen Canning	Chief Executive Officer
James Aulsebrook	Chief Financial Officer
Kate Massey	Chief Marketing Officer including Sales Director responsibilities from 5 February 2019
Katrina Doring	Chief Operating Officer
Peter Choo	Product Strategy Director
Arthur Fernandez	General Manager – JCurve Solutions Asia

Key Management Personnel are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly (and include the directors of the Company). The Executive Management team are responsible for preparing the Group's 3 year Strategic Plan and evaluating the Company's progress against that Strategic Plan.

2) Remuneration governance

<u>Remuneration philosophy</u>

The performance of the Company depends upon the quality of the directors and executives employed by JCurve Solutions. The philosophy of the Company in determining remuneration levels is to:

(i) set competitive remuneration packages to attract and retain high calibre employees;
(ii) link executive rewards to shareholder value creation; and
(iii) establish appropriate performance hurdles for variable executive remuneration.

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

Nomination and Remuneration committee

The Nomination and Remuneration Committee is responsible for determining and reviewing compensation arrangements for the directors and the executive management team.

The composition of the Nomination and Remuneration Committee during the year ended 30 June 2020, comprised Bruce Hatchman (Chairman), Mark Jobling and David Franks being three members, all non-executive directors, with an independent Chairman and the majority of whom are independent. On this basis, the Nomination and Remuneration Committee is in compliance with the ASX Corporate Governance Principles and Recommendations.

Members of the Nomination and Remuneration Committee are appointed, removed and/or replaced by the Board.

The Nomination and Remuneration Committee assesses the appropriateness of the nature and amount of remuneration which the directors and executives receive on a periodic basis by reference to relevant employment market conditions with overall objectives of:

(i) Ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team;
(ii) Aligned to the Company's strategic business priorities which have been set to achieve shareholder value;
(iii) Ensuring that the remuneration structure is transparent and easily understood;
(iv) Acceptable to all shareholders.

The Company's Corporate Governance Statement which can be found on the Company's website: http://www.jcurvesolutions.com/corporate-governance, provides further information on the role of the Nomination and Remuneration Committee and its composition and structure.

A copy of the Nomination and Remuneration Committee's charter is included on the Company's website.

3) Remuneration Structure

In accordance with best practice Corporate Governance, the structure of non-executive director and executive remuneration is separate and distinct.

Non-executive director remuneration

The Board seeks to set aggregate remuneration at a level that provides JCurve Solutions with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

JCurve Solutions' constitution adopted at the AGM on 9 November 2010 specifies that the aggregate remuneration of non-executive directors shall be a maximum of $400,000 per year, and can be varied by ordinary resolution of the shareholders in a General Meeting. There have been no changes to the constitution of JCurve Solutions since this date.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst directors is reviewed annually.

Non-executive directors are paid their director fees in cash, including statutory superannuation contributions. They do not receive any bonus payments nor are they entitled to any payment upon retirement or resignation.

The remuneration of non-executive directors for the year ended 30 June 2020 and comparative year is detailed in Section 4, Table 1 of the Remuneration report.

Executive remuneration

The Company's Executive remuneration structure consists of three components:

Fixed components	*Variable 'at-risk' components*
(i) Base salary and benefits, including superannuation.	(ii) Short-term incentives in the form of cash bonuses; and (iii) Long-term incentives, through participation in the JCurve Solutions Equity Incentive Plan (EIP).

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

(i) Base salary and benefits

Executives are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash, superannuation and fringe benefits. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Group.

Each executive's remuneration is reviewed annually by the Nomination and Remuneration Committee. The process consists of a review of relevant comparative remuneration in the market, internally and, where appropriate, external advice on policies and practices. The Nomination and Remuneration committee has access to external, independent advice if required.

(ii) Short-term incentive

The Short-term incentive (STI) scheme is designed to reward the Executive Management team for their contribution to the success of JCurve Solutions in achieving its financial goals, as well as the individual contribution of each employee to business goals, as determined by the Board.

For all members of the Executive Management Team except the Sales Director, the FY2020 KPI targets for the Short-term incentive plan were determined by the Board based on a number of Key Result Areas (KRA's) which the Board believes will affect the performance of JCurve Solutions during the financial year. The KRA's included a revenue metric, a profitability metric, various sales metrics, leadership metrics while depending on the Executive Management team members position a business diversification metric, marketing or project delivery metric. The metrics are determined with reference to JCurve Solutions strategic goals and objectives. The revenue, profitability, sales, marketing and project delivery metrics are measured based on the audited statutory financial results. The leadership metric is measured from independently collated feedback scores from employees and the Directors. The diversification metric is determined with reference to the number of profitable acquisitions made by JCurve Solutions during the year. This short-term incentive scheme takes the form of a cash bonus payable once the results for the year have been determined.

The Short-term incentive plan for the CMO is in the form of a commission scheme whereby actual ERP new business sales results are compared against set targets on a monthly basis. The targets are set with reference to the Company's annual ERP new business budget. The Short-term incentive scheme for the CMO takes the form of cash which is paid as part of the pay-run the month following the month of the ERP new business sale.

The potential value of the short-term incentive schemes as a proportion of each Executive's base salary was as follows:

	FY2020 STI Potential (*) (**)	FY2019 STI Potential (*)
Executives		
Stephen Canning	32%	33%
James Aulsebrook	27%	28%
Kate Massey (***)	55%	29%
Katrina Doring	29%	29%
Peter Choo	29%	29%
Arthur Fernandez	27%	26%

(*) STI bonus potential as a proportion of the Executive's base contracted salary excluding superannuation and other benefits.
(**) With the impact of the Covid-19 pandemic significantly affecting the Company's results in April 2020, all members of the Executive Management Team with the exception of commissions for the CMO, Kate Massey, elected to waive all eligible bonuses under the FY2020 and FY2021 short term incentive schemes.
(***) Sales Director responsibilities from 5 February 2019 which included the commission scheme previously provided to the Sales Director on top of the STI as the Chief Marketing Officer. Commission scheme was uncapped.

(iii) Long-term incentive

The long-term equity incentive plan implemented in FY2020 has been designed to align a portion of Executive Remuneration with long term shareholder value.

The JCurve Solutions Equity Incentive Plan (EIP) was approved by shareholders at the Annual General Meeting held on 22 November 2016. On 7 February 2020 performance rights totalling 10,800,000, across three tranches of 3,600,000 performance rights were issued employees under the EIP. The performance rights under all three tranches are subject to a performance condition and a service condition and vest on 31 January 2021, 31 January 2022 and 31 January 2022.

10,800,000 of the performance rights issued were to Executive team members as follows:

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

	Performance Rights Issued
Executives	
Stephen Canning	3,000,000
James Aulsebrook	1,800,000
Kate Massey	1,500,000
Katrina Doring	1,500,000
Peter Choo	1,500,000
Arthur Fernandez	1,500,000

4) Remuneration of key management personnel

Table 1: Key Management Personnel remuneration for the year ended 30 June 2020: Directors

		Short-term employee benefits			Post-employment	Equity	Total	
Directors		Director's Fees $	Bonuses / Commission $	Other short-term benefits $	Super-annuation $	Shares (1) $	Total $	Performance Related %
Bruce Hatchman	2020	84,646	-	-	13,000	-	97,646	-
Chairman (non-executive)	2019	86,646	-	-	11,000	-	97,646	-
David Franks	2020	60,000	-	-	5,700	-	65,700	-
Director (non-executive)	2019	60,000	-	-	5,700	-	65,700	-
Mark Jobling	2020	60,000	-	-	-	-	60,000	-
Director (non-executive)	2019	60,000	-	-	-	-	60,000	-
Graham Baillie	2020	50,968	-	-	4,842	-	55,810	-
Director (non-executive)	2019	-	-	-	-	-	-	-
Total Directors Fees	**2020**	**255,614**	**-**	**-**	**23,542**	**-**	**279,156**	**-**
Total Directors Fees	2019	206,646	-	-	16,700	-	223,346	-

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

Table 2: Key Management Personnel remuneration for the year ended 30 June 2020: Executives

		Short-term employee benefits			Long-term	Post-employment	Equity	Total	
Executives		Salary $	Bonuses / Commission (10) $	Other short-term benefits (8) $	Long service leave (9) $	Super-annuation or CPF $	Shares/ Performance Rights $	$	Perfor mance Related %
Stephen Canning (1)	2020	333,453	50,768	17,195	(2,765)	2,643	3,433	404,727	13%
Chief Executive Officer	2019	309,000	35,000	17,985	25,533	20,531	11,363	419,412	11%
James Aulsebrook (2)	2020	186,000	19,375	6,926	1,319	19,511	1,553	234,684	9%
Chief Financial Officer	2019	181,000	17,500	(5,005)	1,248	18,858	3,788	217,389	10%
Kate Massey (3)	2020	175,000	25,428	6,687	6,709	19,041	1,400	234,265	11%
Chief Marketing Officer	2019	171,000	20,104	12,882	9,039	18,155	3,788	234,968	10%
Katrina Doring (4)	2020	175,000	10,000	11,983	993	17,575	1,400	216,951	5%
Chief Operating Officer	2019	171,000	10,000	15,572	831	17,195	3,788	218,386	6%
Peter Choo (5)	2020	175,000	19,375	5,016	1,287	18,466	1,189	220,333	9%
Product Strategy Director	2019	170,000	10,000	12,159	1,402	17,100	2,525	213,186	6%
Arthur Fernandez (6)	2020	199,246	3,015	(5,575)	-	13,328	767	210,781	2%
GM JCS Asia	2019	100,754	-	2,703	-	16,237	-	119,694	-
Bill Beedie (7)	2020	-	-	-	-	-	-	-	-
Sales Director	2019	138,525	12,867	(3,358)	-	10,366	(9,944)	148,456	2%
Total Executive Remuneration	**2020**	**1,243,699**	**127,961**	**42,232**	**7,543**	**90,564**	**9,741**	**1,521,740**	**9%**
Total Executive Remuneration	2019	1,241,279	105,471	52,938	38,053	118,442	15,308	1,571,491	8%

(1) Bonus of $38,750 based on performance related KRA under the Short Term Incentive Scheme for FY2019 was paid on 26 September 2019.
(2) Bonus of $19,375 based on performance related KRA under the Short Term Incentive Scheme for FY2019 was paid on 2 September 2019.
(3) Bonus of $10,000 based on performance related KRA under the Short Term Incentive Scheme for FY2019 was paid on 2 September 2019. Additional Sales Director responsibilities from 5 February 2019.
(4) Bonus of $10,000 based on performance related KRA under the Short Term Incentive Scheme for FY2019 was paid on 2 September 2019.
(5) Bonus of $19,375 based on performance related KRA under the Short Term Incentive Scheme for FY2019 was paid on 2 September 2019.
(6) became a Key Management Personal (KMP) from 18 December 2018. Information in table 2 for the period whilst a KMP. Bonus of A$2,799 based on performance related KRA under the Short Term Incentive Scheme for FY2019 was paid on 2 September 2019.
(7) Resigned 4 February 2019.
(8) other short-term benefits include car parking expenses for Stephen Canning, Kate Massey, Katrina Doring, Peter Choo and Bill Beedie as well as annual leave accrued for each Executive Team Member as per Corporations Regulation 2M.3.03(1) Item 6.
(9) other long-term benefits as per Corporations Regulation 2M.3.03(1) Item 8.
(10) The bonuses or commissions included in the above table are those which have been paid during the financial year.

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

Table 3: Service Agreements

Remuneration and other terms of employment for the Executive Management Team are formalised in service agreements, in the form of a contract of employment.

Arrangements relating to remuneration of the Company's Executive Management Team currently in place are set out below:

Executive	Title	Term of agreement	Current base salary excluding superannuation (*)	Contractual termination benefits (**)
Stephen Canning	Chief Executive Officer	Commenced 1 August 2019 on a rolling contract	S$311,000	6 months base salary
James Aulsebrook	Chief Financial Officer	Commenced 18 April 2016 on a rolling contract	$186,000	3 months base salary
Kate Massey	Chief Marketing Officer	Commenced 1 September 2015 on a rolling contract	$175,000	3 months base salary
Katrina Doring	Chief Operating Officer	Commenced 5 July 2016 on a rolling contract	$175,000	3 months and 1 week base salary
Peter Choo	Product Strategy Director	Commenced 26 October 2017 on a rolling contract	$175,000	3 months and 1 week base salary
Arthur Fernandez	General Manager JCS Asia	Commenced 18 December 2018 on a rolling contract	S$185,000	3 months base salary

(*) Current base salaries excluding superannuation are quoted for the year commencing 1 July 2020. They are reviewed annually by the Remuneration Committee. There was a pay freeze on all staff wages as a result of the Covid-19 pandemic. The salaries recorded in Table 2 are for the years ending 30 June 2020 and 30 June 2019.
(**) As at the date the Remuneration Report is approved.

The service agreement contracts outlined above may be terminated in the following circumstances:

(i) Voluntary termination by the Company: the contractual termination benefit outlined in the table above as well as any statutory entitlements accrued will be paid; or

(ii) Termination by the Company for cause without notice: no contractual termination benefits are payable. Only statutory entitlements accrued will be paid.

5) Relationship between remuneration and JCurve Solutions performance

Performance in respect of the current year and the previous two years is detailed in the table below:

	2020	2019	2018	2017	2016
	$	$	$	$	$
Total profit/(loss) for the year	**(298,804)**	338,114	847,267	454,286	(2,597,423)
Normalised EBITDA	**670,501**	852,589	979,931	801,920	131,517
Share price at year end ($)	**0.036**	0.034	0.031	0.011	0.006
Increase/(decrease) in share price	**6%**	10%	282%	83%	(60%)
Dividends paid	**-**	-	-	-	-

The remuneration of JCurve Solutions Executives outlined in Table 2 has consisted primarily of salaries and superannuation. Performance related remuneration was 9% of the Key Management Personnel's remuneration package reflecting the recent performance levels of the Company outlined in the above table.

6) Voting and comments made at the Company's 2019 Annual General Meeting

The JCurve Solutions Remuneration Report resolution was carried by a show of hands, with the results of both the show of hands and proxy position in excess of 75% in favour of the resolution. Of valid proxies received, 99% of proxy votes lodged (lodged as for/against/open excluding all other votes) voted "yes" on the Remuneration Report for the 2019 financial year. Comments raised by shareholders during the course of the Annual General Meeting were responded to by the Directors during the meeting.

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

7) Details of share-based compensation

With the exception of the following performance rights outlined in tables 1 and 2 below, no other long term incentives have been issued to employees or Directors of the Company.

Table 1: Performance rights issued to members of the Executive Management Team under the JCurve Solutions Equity Incentive Plan on 7 February 2020

	Performance Rights Issued
Executives	
Stephen Canning	3,000,000
James Aulsebrook	1,800,000
Kate Massey	1,500,000
Katrina Doring	1,500,000
Peter Choo	1,500,000
Arthur Fernandez	1,500,000

Table 2: Performance rights issued to members of the Executive Management Team under the JCurve Solutions Equity Incentive Plan on 27 June 2017 which expired during the year

	Performance Rights Issued (*)
Executives	
Stephen Canning	4,500,000
James Aulsebrook	1,500,000
Kate Massey	1,500,000
Katrina Doring	1,500,000
Peter Choo	1,000,000

(*) Cancelled 31 August 2019 as the performance condition accompanying the performance rights was not met.

Table 3: Performance rights issued which formed part of remuneration during the year ended 30 June 2020: 2020 Plan

	Value of total performance rights granted $	Value of performance rights lapsed $	Total value of performance rights granted, exercised and lapsed $	Value of performance rights included in remuneration for the year $	% remuneration consisting of shares for the year
Executives					
Stephen Canning	7,624	-	7,624	1,533	0.4%
James Aulsebrook	4,574	-	4,574	920	0.4%
Kate Massey	3,812	-	3,812	766	0.3%
Katrina Doring	3,812	-	3,812	766	0.4%
Peter Choo	3,812	-	3,812	766	0.3%
Arthur Fernandez	3,812	-	3,812	766	0.4%

The value of each performance right granted under each tranche of the equity incentive plan was as follows:

(1) Tranche one: $0.0013 per performance right;
(2) Tranche two: $0.0026 per performance right
(3) Tranche three: $0.0037 per performance right

For further details on the Employee Share Plan, please refer to Note 26.

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

Table 4: Performance rights issued which formed part of remuneration during the year ended 30 June 2020: 2017 Plan

	Value per performance right granted $	Value of total performance rights granted $	Value of performance rights lapsed $	Total value of performance rights granted, exercised and lapsed $	Value of performance rights included in remuneration for the year $	% remuneration consisting of shares for the year
Executives						
Stephen Canning	0.0055	24,750	-	24,750	1,899	0.5%
James Aulsebrook	0.0055	8,250	-	8,250	633	0.3%
Kate Massey	0.0055	8,250	-	8,250	633	0.3%
Katrina Doring	0.0055	8,250	-	8,250	633	0.3%
Peter Choo	0.0055	8,250	-	5,500	422	0.2%

Table 5: Performance rights issued which formed part of remuneration during the year ended 30 June 2019: 2017 Plan

	Value per performance right granted $	Value of total performance rights granted $	Value of performance rights lapsed $	Total value of performance rights granted, exercised and lapsed $	Value of performance rights included in remuneration for the year $	% remuneration consisting of shares for the year
Executives						
Stephen Canning	0.0055	24,750	-	24,750	11,363	3%
James Aulsebrook	0.0055	8,250	-	8,250	3,788	2%
Kate Massey	0.0055	8,250	-	8,250	3,788	2%
Katrina Doring	0.0055	8,250	-	8,250	3,788	2%
Peter Choo	0.0055	8,250	-	5,500	2,525	1%
B Beedie	0.02062	26,005	-	26,005	(9,944)	-7%

For further details on the Employee Share Plan, please refer to Note 26.

8) Shareholdings of Key Management Personnel

Ordinary shares held in JCurve Solutions Limited (number)

30 June 2020	Balance 01 Jul 19	Granted as remuneration	Bought back under employee share plan	Net Change Other (*)	Balance 30 Jun 20
Directors					
Bruce Hatchman	3,500,000	-	-	-	3,500,000
David Franks	4,206,174	-	-	-	4,206,174
Mark Jobling	51,204,301	-	-	-	51,204,301
Graham Baillie	-	-	-	83,124,215	83,124,215
Executives					
Stephen Canning	3,233,418	-	-	-	3,233,418
James Aulsebrook	-	-	-	-	-
Kate Massey	665,000	-	-	-	665,000
Katrina Doring	1,975,534	-	-	-	1,975,534
Peter Choo	455,000	-	-	-	455,000
Arthur Fernandez	600,000	-	-	-	600,000
Total	**65,839,427**	**-**	**-**	**83,124,215**	**148,963,642**

(*) Graham Baillie became a Non Executive Director on 26 August 2019. The 83,124,215 shares outlined above were held before Graham Baillie became a Non Executive Director.

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

30 June 2019	Balance 01 Jul 18	Granted as remuneration	Bought back under employee share plan	Net Change Other	Balance 30 Jun 19
Directors					
B Hatchman	3,500,000	-	-	-	3,500,000
D Franks	4,206,174	-	-	-	4,206,174
M Jobling	51,204,301	-	-	-	51,204,301
Executives					
S Canning	3,233,418	-	-	-	3,233,418
J Aulsebrook	-	-	-	-	-
K Massey	665,000	-	-	-	665,000
K Doring	1,975,534	-	-	-	1,975,534
P Choo	455,000	-	-	-	455,000
A Fernandez (*)	-	-	-	600,000	600,000
Total	**65,239,427**	**-**	**-**	**600,000**	**65,839,427**

(*) A Fernandez became an Executive Team member on 18 December 2018. 96,489 shares held before A Fernandez become an Executive Team member. A further 503,511 purchased after A Fernadez became an Executive Team member.

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the company would have adopted if dealing at arm's length.

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the company would have adopted if dealing at arm's length.

9) Transactions with Directors and Key Management Personnel

The following table provides the total amount of transactions that were entered into with related parties for the relevant financial year.

Purchases from Related Parties	**2020 $**	**2019 $**
Automic		
Company secretarial services (1)	54,201	48,536
Directors Fees (included in Table 1 and including Superannuation)	65,700	65,700
Share registry fees	7,091	2,635
	126,992	116,871

(1) David Franks was appointed as Company Secretary of JCurve Solutions Limited on 15 September 2014 and was also appointed as a Non-Executive Director on that date. David was the Proprietor of Franks and Associates, a firm that has provided guidance on corporate compliance requirements pursuant to the Company's constitution, ASX Listing Rules and Corporations Act, assistance in drafting notices of meeting and announcements and Board documentation. Franks and Associates became a member of Automic Group in June 2018. In September 2018, the Automic Group took over the share registry work for the Group.

Company secretarial service fees for the year ended 30 June 2020 amounted to $54,201 net of GST excluding out of pocket expenses (2019: $48,536) and were provided on commercial terms. Automic Group invoices JCurve Solutions for David Franks' Directors fees and superannuation, which has been included in Section 4, Table 1 of the Remuneration Report. The share registry fees were provided on commercial terms.

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

Sales to Related Parties	2020 $	2019 $
Tomorrow Entertainment (1)		
Customer purchases	35,419	41,335
	35,419	41,335

1) Tomorrow Entertainment Holdings Pte Ltd (Tomorrow Entertainment), a Company which Mark Jobling is the founder and a Director, became a customer of the Group. The Group invoiced Tomorrow Entertainment $35,419 in the year ended 30 June 2020 (2019: $41,335). The services sold to Tomorrow Entertainment were at commercial rates and on commercial terms.

Sales to and purchases from related parties are made in arm's length transactions both at normal market prices and on normal commercial terms. Outstanding balances at year-end are unsecured, interest free and settlement occurs in cash.

End of Remuneration Report

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

Bruce Hatchman
Chairman
Dated at Sydney 25 August 2020

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Australia

DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF JCURVE SOLUTIONS LIMITED

As lead auditor of JCurve Solutions Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of JCurve Solutions Limited and the entities it controlled during the period.

Gareth Few
Director

BDO Audit Pty Ltd

Sydney, 25 August 2020

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

		Consolidated ($)	
	Notes	**2020**	**2019**
Revenue	3	11,213,413	12,579,475
Cost of goods sold		(1,707,326)	(2,230,419)
Gross profit		**9,506,087**	**10,349,056**
Other income	3	385,907	241,318
Employee benefits expenses		(6,220,837)	(6,102,949)
Other employee related expenses	4	(558,685)	(658,519)
IT and communications expenses		(524,792)	(440,913)
Advertising and marketing expenses		(56,849)	(204,830)
Professional fees	4	(933,900)	(1,252,995)
Occupancy expenses	25	(85,342)	(508,068)
Travel expenses		(165,405)	(196,725)
Depreciation and amortisation expenses	4	(817,201)	(254,490)
Bad debt expenses/writeback		(193,888)	39,371
Finance income/(expense)		(44,349)	(8,082)
Due diligence costs		(54,604)	(33,687)
Other expenses		(381,361)	(364,100)
Profit/(loss) before income tax		**(145,219)**	**604,387**
Income tax expense	5	(153,585)	(266,273)
Profit/(loss) for the year		**(298,804)**	**338,114**
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		**(298,804)**	**338,114**
Basic earnings per share (cents per share)	6	(0.09)	0.10
Diluted earnings per share (cents per share)	6	(0.09)	0.10

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes. The classification of some prior period comparatives have been adjusted to show in more detail Other Expenses.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Notes	Consolidated ($) 2020	Consolidated ($) 2019
Assets			
Current Assets			
Cash and cash equivalents	7	4,152,349	4,765,339
Trade and other receivables	8	2,265,193	2,389,384
Other financial assets	10	10,460	10,454
Other current assets	9	866,441	925,641
Total Current Assets		7,294,443	8,090,818
Non-Current Assets			
Property, plant and equipment	11	38,988	53,504
Intangible assets	12	3,129,266	3,402,499
Right-of-use assets	13	1,977,341	-
Deferred tax asset	5	1,510,368	717,393
Total Non-Current Assets		6,655,963	4,173,396
Total Assets		13,950,406	12,264,214
Liabilities			
Current Liabilities			
Trade and other payables	14	2,245,754	3,263,849
Unearned income	15	2,076,493	2,032,347
Current tax liability		270,383	37,020
Lease liabilities	16	468,913	-
Provisions	17	437,219	331,426
Total Current Liabilities		5,498,762	5,664,642
Non-Current Liabilities			
Unearned income	15	220,443	181,738
Deferred tax liabilities	5	1,646,765	1,078,069
Lease liabilities	16	1,533,509	-
Provisions	17	91,443	88,411
Total Non-Current Liabilities		3,492,160	1,348,218
Total Liabilities		8,990,922	7,012,860
Net Assets		4,959,484	5,251,354
Equity			
Share capital	18	17,588,248	17,588,248
Reserves	19	1,825,051	1,818,117
Accumulated losses		(14,453,815)	(14,155,011)
Total Equity		4,959,484	5,251,354

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Consolidated ($) Inflows / (Outflows) 2020	2019
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		12,806,601	13,497,100
Payments to suppliers and employees (inclusive of GST)		(12,489,748)	(12,954,320)
Interest received		7,051	12,964
Interest (paid)/refunded		(3,413)	(456)
Income tax received/(paid)		(39,914)	152,292
Net cash provided by operating activities	7	280,577	707,580
Cash flows used in investing activities			
Payments for property, plant and equipment		(28,339)	(17,310)
Purchase of intangible assets		-	(100,000)
Cash paid for the purchase of the Spectrum business and assets		(352,383)	(312,467)
Net cash used in investing activities		(380,722)	(429,777)
Cash flows used in financing activities			
Repayment of principal of leases		(512,845)	-
Net cash used in investing activities		(512,845)	-
Net increase in cash and cash equivalents		(612,990)	277,803
Cash and cash equivalents at 1 July		4,765,339	4,487,536
Cash and cash equivalents at 30 June	7	4,152,349	4,765,339

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes. The repayment of principal leases was reclassified from cash flows used in operating activities to cash flows used in financing activities on the adoption of AASB 16. Prior year comparatives have not been adjusted the repayment of principal leases recorded in payments to suppliers and employees in the 2019 comparative balances.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated ($)			
	Share Capital	**Accumulated Losses**	**Equity Benefits Reserve**	**Total**
As at 1 July 2018	17,588,248	(14,493,125)	1,803,880	4,899,003
Total comprehensive income for the year	-	338,114	-	338,114
	-	338,114	-	338,114
Transactions with owners in their capacity as owners:				
Issued shares under employee share plan	-	-	15,307	15,307
Issued rights under employee incentive scheme	-	-	(1,070)	(1,070)
	-	-	14,237	14,237
Balance at 30 June 2019	17,588,248	(14,155,011)	1,818,117	5,251,354
As at 1 July 2019	17,588,248	(14,155,011)	1,818,117	5,251,354
Total comprehensive loss for the year	-	(298,804)	-	(298,804)
	-	(298,804)	-	(298,804)
Transactions with owners in their capacity as owners:				
Issued rights under employee incentive scheme	-	-	9,741	9,741
Exchange differences on translation of foreign operations	-	-	(2,807)	(2,807)
	-	-	6,934	6,934
Balance at 30 June 2020	17,588,248	(14,453,815)	1,825,051	4,959,484

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

CONTENTS TO THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

The financial position and performance of the group was particularly affected by the following factors, events and transactions during the reporting period:

1) the sale of Enterprise Resource Planning (ERP) solutions, which included the exclusively licensed JCurveERP and associated implementation and consulting services in Australia and New Zealand as well as the Oracle NetSuite mid market and enterprise editions in addition to accompanying associated implementation and consulting services in Australia, New Zealand and South East Asia;
2) Riyo – the development and commercialization of the Riyo Service Management Platform and building up a recurring customer base;
3) The adoption of AASB 16 Leases which had the effect of recognising right-of-use assets and lease liabilities for all non cancellable operating leases on the Statement of Financial position.

A more detailed outline about the Group's performance and financial position is outlined in the Directors Report operating and financial review on page 8.

NOTE 2: SEGMENT REPORTING

(a) Accounting policy

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 and Executive Management Team of JCurve Solutions.

(b) Description of segments

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about the components of the Group that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance.

JCurve Solutions sells a portfolio of solutions and derives its revenues and profits from a variety of sources.

The Board and Executive Management Team for the year ended 30 June 2020, considered the business from a product perspective and identified four reportable segments:

- ERP – AU: ERP cloud-based Business Management solutions and associated consulting services sold to Australian and New Zealand customers; and
- ERP – Asia: ERP cloud-based Business Management solutions and associated consulting services sold to South East Asian customers;
- TEMS - The development and marketing of Telecommunications Expense Management Solutions (JTEL and Full Circle Group) sold to Australian customers; and
- Riyo – The development and sale of service management and scheduling software

All other segments – group/head office is a cost centres and is not a reportable operating segments. The results of these operations are included in the unallocated column in the segment information below.

The Group operates in two geographical segments being Australasia (Australia and New Zealand) along with South East Asia.

The Group reports internally on the assets and liabilities of the Group on a consolidated basis.

No customers comprise more than 10% of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(c) Segment information provided to the chief operating decision maker

The segment information provided to the Board and the Executive Management Team for the reportable segments for the year ended 30 June 2020 (including the comparative period) is as follows:

Year ended 30 June 2020	**ERP - AU**	**TEMS**	**Riyo**	**ERP - Asia**	**All other segments**	**Total**
Total revenue	8,070,453	2,064,551	75,117	1,003,292	-	11,213,413
Total cost of sales	(1,375,892)	-	(11,116)	(320,318)	-	(1,707,326)
Gross profit	6,694,561	2,064,551	64,001	682,974	-	9,506,087
Other income	3,591	277,443	104,589	284	-	385,907
Total expenditure excluding cost of sales	(5,210,941)	(1,065,107)	(928,680)	(1,167,919)	(1,664,566)	(10,037,213)
Total profit/(loss) before tax	**1,487,211**	**1,276,887**	**(760,090)**	**(484,661)**	**(1,664,566)**	**(145,219)**

Year ended 30 June 2019	**NetSuite ERP**	**TEMS**	**MYOB Advanced**	**Riyo**	**JCS Asia**	**All other segments**	**Total**
Total revenue	9,814,712	2,292,424	114,415	3,366	354,558	-	12,579,475
Total cost of sales	(2,100,699)	(2,330)	(18,936)	(3,750)	(104,704)	-	(2,230,419)
Gross profit/(loss)	7,714,013	2,290,094	95,479	(384)	249,854	-	10,349,056
Other income	-	-	-	135,497	-	105,821	241,318
Total expenditure excluding cost of sales	(5,526,590)	(1,002,032)	(68,377)	(642,193)	(445,295)	(2,301,500)	(9,985,987)
Total profit/(loss) before tax	**2,187,423**	**1,288,062**	**27,102**	**(507,080)**	**(195,441)**	**(2,195,679)**	**604,387**

NOTE 3: REVENUES AND OTHER INCOME

	Consolidated ($)	
	2020	**2019**
Revenue (*)		
Enterprise Resource Planning (ERP) solutions – JCurve ERP and NetSuite: Australasia	8,015,698	9,814,712
Enterprise Resource Planning (ERP) solutions – NetSuite: South East Asia	1,003,292	354,558
Enterprise Resource Planning (ERP) solutions - MYOB Advanced	54,755	114,415
Telecommunications expense management	2,064,551	2,292,424
Riyo solutions	75,117	3,366
	11,213,413	12,579,475
Other Income		
Research and Development incentive	104,589	196,967
JobKeeper subsidy (**)	273,000	-
Interest income	8,062	14,370
Sundry Income	256	29,981
	385,907	241,318

(*) Reflects revenue in accordance with AASB 15.
(**) $273,000 of government subsidies from the JobKeeper Payment were received or accrued as at 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS (continued)

1) Accounting policy

Revenue recognition

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

Step 1: Identify the contract with a customer;

Step 2: Identify the performance obligations in the contract and determine at what point they are satisfied;

Step 3: Determine the transaction price;

Step 4: Allocate the transaction price to the performance obligations;

Step 5: Recognise revenue as the performance obligations are satisfied.

The Group's revenue recognition accounting policy is that:

- The performance obligation for the implemented ERP software is satisfied when the ERP software has been installed and is operating materially as contractually required. Rather than recognising the contracted revenue evenly over the contract period which ranges from 12 to 60 months in the case of license revenue or evenly over an implementation period for service revenue (generally 2 to 3 months), under the new accounting policy, both license and implementation revenue for the contracted period is recognised at the point in time when the ERP software has been installed and is operating materially as contractually required;
- The performance obligation for providing ERP software customers with technical support is satisfied over the contracted period;
- The performance obligation for providing Telecommunication Expense Management solutions is satisfied over the contracted period; and
- The performance obligation for the implemented Riyo software is satisfied when the Riyo software has been installed and is operating materially as contractually required.

In addition to contracts with customers, the Group receives interest income from monies held in its bank accounts, Interest income is recognised on an accruals basis based on the interest rate, deposited amount and time which lapses before the reporting period end date.

The expected future Research and Development incentive, for past qualifying Research and Development expenditure is accrued as other income when it is established that the conditions of the Research and Development incentive have been met and that the expected amount of the incentive can be reliably measured.

2) Significant accounting judgments, estimates and assumptions: Revenue recognition

(i) Identification of performance obligations

The Group has determined that for new ERP software sales, while licenses and implementation services are quoted as separate line items and have separate list prices they are not distinct performance obligations as the customer is purchasing customisable ERP software which requires not only the licenses to be provisioned but the software to be installed by a qualified JCurve Solutions implementation consultant. As such a combined implemented ERP software performance obligation is presented.

Technical support which is purchased by ERP software customers to assist with their ongoing use of the ERP software and is separate from the combined ERP software/implementation performance obligation.

(ii) Satisfaction of performance obligations

The performance obligation for the implemented ERP software is satisfied at the point in time when the ERP software has been installed and is operating materially as contractually required. It is when the customer has full access to and control of the ERP software. The performance obligation for providing ERP software customers with technical support remains throughout the contract period so is satisfied over the contract period.

The performance obligation for providing Telecommunication Expense Management solutions remains throughout the contract period so is satisfied over the contract period.

The performance obligation for the implemented Riyo software is satisfied at the point in time when the Riyo software has been installed and is operating materially as contractually required. It is when the customer has full access to and control of the Riyo software.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 4: EXPENSES

	Consolidated ($)	
	2020	**2019**
Other employee related expense - superannuation	437,978	502,547
Other employee related expense – excluding superannuation	120,707	155,972
	558,685	658,519
Depreciation of plant and equipment	42,850	66,244
Depreciation of right of use asset	500,247	-
Amortisation of intangibles	274,104	188,246
	817,201	254,490
Directors' Fees (includes superannuation)	279,156	223,346
Consultancy Fees	507,279	901,652
Audit Fees	87,579	72,226
Company Secretarial Fees (includes fees paid to non-related parties overseas)	59,886	55,771
	933,900	1,252,995

(1) Accounting policy

- **Wages, salaries, annual leave and sick leave**

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

- **Long service leave**

The liability for long service leave is recognised in the provision for employee benefits and measured as 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 period of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 5: INCOME TAX

	Consolidated ($)	
	2020	**2019**
Income tax recognised in profit or loss		
The major components of tax benefit/(expense) are:		
Current tax benefit (i)	(374,969)	(233,987)
Origination and reversal of temporary differences	224,278	(21,641)
Under/(over) provision from prior years - current tax	(2,894)	(10,645)
Total tax benefit/(expense) (i)	(153,585)	(266,273)
The prima facie income tax (benefit)/expense on pre-tax accounting profit from continuing operations reconciles to the income tax (benefit)/expense in the financial statements as follows:		
Accounting profit/(loss) before tax	(145,219)	604,387
Income tax expense calculated at 27.5%	39,935	(166,207)
Tax effect of amounts which are not taxable/(deductible) in calculating taxable income:		
Permanent differences	(3,339)	(16,653)
Temporary differences	(17,936)	(23,315)
Adjustments for current tax of prior periods	-	28,950
	(21,275)	(11,018)
Research and development incentive	(37,357)	(70,353)
Differences in overseas tax rates	(90,361)	(11,851)
Carried forward capital losses previously not brought to account now recognised and realised on the sale of capital assets	(125,556)	
Carried forward tax losses previously not brought to account now recognised	60,483	3,801
Reduction in net deferred tax liabilities due to change in company income tax rate (to 26% from 1 July 2020)	23,440	-
Under/(over) provision in prior years	(2,894)	(10,645)
Income tax benefit/(expense) reported in the Statement of Profit or Loss and other Comprehensive Income	(153,585)	(266,273)

Deferred Taxes (Non-Current)

	Consolidated ($)	
	2020	**2019**
Analysis of deferred tax assets:		
Deductible temporary differences available to offset against future taxable income		
Deferred expenditure	286,054	306,006
Lease liabilities	520,630	-
Accruals and provisions	430,585	372,876
Tax losses available to offset against future taxable income	273,099	38,511
	1,510,368	717,394
Analysis of deferred tax liabilities:		
Plant and equipment	4,238	4,482
Deferred license revenue	1,015,297	970,286
Right-of-use asset	514,109	
Other	113,121	103,301
	1,646,765	1,078,069
Net Deferred Tax Liability	136,397	360,675

NOTES TO THE FINANCIAL STATEMENTS (continued)

(1) Accounting policy

(i) Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(ii) Tax Consolidation Legislation

JCurve Solutions and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

JCurve Solutions Limited recognises its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated Group.

Assets or Liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated Group.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(iii) Other taxes

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST) except:

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

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

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

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

(2) Significant accounting judgments, estimates and assumptions: Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits over future years together with future tax planning strategies.

(3) Unrecognised deferred tax assets and deferred tax liabilities

The balance of carried forward tax losses that have not been recognised in the Financial Statements amount to $386,3513 (2019: $490,088 unrecognised). The deductible temporary differences and tax losses do not expire under current legislation. Deferred tax assets totaling $106,247 (2019: $134,774) have not been recognised in respect of these items at this stage because it is not probable that future tax profits will be available against which the Group can utilise the benefits thereof.

During the year ended 30 June 2020 the Group used the previously unrecognized carried forward capital losses of $572,640.

There are no unrecognised deferred tax liabilities.

(4) Tax Consolidation

JCurve Solutions and its 100% owned Australian resident subsidiaries implemented the tax consolidation legislation from 1 January 2014. The accounting policy for the implementation of the tax consolidation legislation is set out in note 5(1)(ii).

The entities in the tax consolidated group have entered into a tax sharing agreement on adoption of the tax consolidation legislation which, in the opinion of the directors, limits the joint and several liability of the controlled entities in the case of a default by the head entity, JCurve Solutions.

JCurve Solutions and its controlled entities have entered into a tax funding agreement under which the 100% owned Australian resident subsidiaries compensate JCurve Solutions for all current tax payable assumed and are compensated by JCurve Solutions for any current tax receivable and deferred tax assets which relate to unused tax credits or unused tax losses that, under the tax consolidation legislation, are transferred to JCurve Solutions. These amounts are determined by reference to the amounts which are recognised in the financial statements of each entity in the tax consolidated group.

The amounts receivable/ payable under the tax funding agreement are due on receipt of the funding advice from JCurve Solutions, which is issued as soon as practicable after the financial year end. JCurve Solutions may also require payment of interim funding amounts to assist with obligations to pay tax instalments. These amounts are recognised as current intercompany receivables or payables.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 6: EARNINGS PER SHARE

	Consolidated	
	2020	2019
	$	$
Earnings used for calculation of basic and diluted earnings per share		
Profit from operations - basic earnings per share	(298,804)	338,114
Profit from operations - diluted earnings per share	(298,804)	338,114
	No.	No.
Weighted average number of shares used for calculation of basic and diluted EPS		
Weighted average number of shares	327,856,900	327,856,900
	Cents per share	Cents per share
Earnings used for calculation of basic and diluted earnings per share		
Basic earnings per share (cents per share)	(0.09)	0.10
Diluted earnings per share (cents per share)	(0.09)	0.10

(1) Accounting policy

Basic earning per share is calculated as net profit/loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earning per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTE 7: CASH AND CASH EQUIVALENTS

	Consolidated ($)	
	2020	2019
Cash at bank and on hand	4,152,349	4,765,339
	4,152,349	4,765,339

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

At 30 June 2020, the Group has no committed borrowing facilities.

NOTES TO THE FINANCIAL STATEMENTS (continued)

	Consolidated ($)	
	2020	**2019**
Reconciliation of profit for the year after tax to net cash flows from operating activities		
Profit/(loss) for the year	(298,804)	338,114
Non-cash flows in operating profit:		
Depreciation and amortisation from continuing operations	817,201	254,490
Impaired receivables	-	104,846
Equity settled share based payment	9,741	15,308
(Increase)/decrease in assets:		
Trade and other receivables	124,191	(198,899)
Other current assets	59,200	9,843
Other financial assets	(7)	(10,454)
Current tax receivable/payable	233,362	199,957
Deferred tax assets	(792,975)	19,860
Increase/(decrease) in liabilities:		
Trade and other payables – Current	(631,705)	378,478
Unearned income	82,852	(506,773)
Provisions – Current	105,793	67,634
Provisions – Non-current	3,032	33,394
Deferred tax liabilities	568,696	1,782
Net cash used in operating activities	280,577	707,580

The repayment of principal leases was reclassified from cash flows used in operating activities to cash flows used in financing activities on the adoption of AASB 16. Prior year comparatives have not been adjusted the repayment of principal leases recorded in payments to suppliers and employees in the 2019 comparative balances.

(1) Accounting policy

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 8: TRADE AND OTHER RECEIVABLES

	Consolidated ($)	
	2020	2019
Current:		
Trade receivables (i)	1,347,273	1,432,258
Allowance for doubtful debts (2)	(94,679)	(71,952)
Accrued revenue/commissions receivable	1,012,599	1,029,078
	2,265,193	2,389,384

(i) the average credit period on sales of goods and rendering of services is 30 days. An allowance has been made for estimated irrecoverable trade receivable amounts arising from the past sale of goods and rendering of services, determined by reference to past default experience. Refer to note 21(6) for ageing of receivables.

(1) Accounting policy

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debts. Bad debts are written off when identified.

The Group's accounting policy includes the recognition of credit losses in the allowance for doubtful debts under an expected credit loss (ECL) model. ECLs are a probability weighted estimates of credit losses which are discounted at the effective interest rate of the financial asset. Credit losses are measured as the present value of all cash shortfalls.

(2) Allowance for doubtful debts reconciliation

At 30 June 2020, trade receivables of the Group with a nominal value of $94,679 (2019: $71,952) were impaired. The allowance for doubtful debts was $94,679 (2019: $71,952). The movement in the allowance for doubtful debts is as follows:

	Consolidated ($)	
	2020	2019
At 1 July	71,952	114,173
Provision for impairment recognised during the year	164,512	104,846
Receivables written off during the year as uncollectable	(128,405)	(81,335)
Trade receivables provided for but collected	(13,380)	(65,730)
	94,679	71,952

NOTE 9: OTHER CURRENT ASSETS

	Consolidated ($)	
	2020	2019
Prepayments	437,640	480,484
Term deposit	217,276	231,365
Deferred expenditure	81,284	115,707
Sundry debtors	130,241	98,085
	866,441	925,641

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 10: OTHER FINANCIAL ASSETS

	Consolidated ($) 2020	2019
Security Deposits	10,460	10,454
	10,460	10,454

NOTE 11: PLANT AND EQUIPMENT

	Consolidated ($) 2020	2019
Plant and equipment, at cost	314,927	286,589
Less accumulated depreciation	(278,975)	(240,053)
Net carrying amount	35,952	46,536
Leasehold improvements, at cost	2,740	2,740
Less accumulated depreciation	(2,728)	(2,152)
Net carrying amount	12	588
Make good assets, at cost	16,299	16,299
Less accumulated depreciation	(13,275)	(9,919)
Net carrying amount	3,024	6,380
Total net carrying amount	38,988	53,504

Reconciliations:

	Consolidated ($)			
	Plant & Equipment	Leasehold Improvements	Make Good Assets	Total
Movements:				
Net carrying amounts as at 30 June 2018	84,975	1,164	-	86,139
Disposals	-	-	-	-
Additions	17,310	-	16,299	33,609
Depreciation charges	(55,749)	(576)	(9,919)	(66,244)
Net carrying amounts as at 30 June 2019	46,536	588	6,380	53,504
Net carrying amounts as at 30 June 2019	46,536	588	6,380	53,504
Disposals	-	-	-	-
Additions	28,286	-	-	28,286
Foreign currency revaluation	49	-	-	49
Depreciation charges	(38,919)	(576)	(3,356)	(42,851)
Net carrying amounts as at 30 June 2020	35,952	12	3,024	38,988

(1) Accounting policy

(i) Cost

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(ii) Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets.

Leasehold improvements are amortised over the period of the lease or the estimated useful life, whichever is the shorter, using the straight-line method. The following estimated useful lives are used in the calculation of depreciation and amortisation:

Plant and equipment	2 – 14 years
Leasehold improvements	1 – 6 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(iii) De-recognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

NOTE 12: INTANGIBLE ASSETS

	Licences	Riyo Platform	Goodwill (i)	Customer relationships (i)	NetSuite customer contracts (i)	Pistachio connector (ii)	Total
Year ended 30 June 2019							
At 1 July 2018, net of accumulated amortisation and impairment	2,302,857	590,000	-	-	-	-	2,892,857
Additions (i) and (ii)	-	-	244,515	172,197	175,456	100,000	692,168
Amortisation	-	(120,000)	-	(34,438)	(33,808)	-	(188,246)
FX Revaluation	-	-	2,693	1,503	1,524	-	5,720
At 30 June 2019, net of accumulated amortisation and	2,302,857	470,000	247,208	139,262	143,172	100,000	3,402,499
Year ended 30 June 2020							
At 1 July 2019, net of accumulated amortisation and impairment	2,302,857	470,000	247,208	143,172	139,262	100,000	3,402,499
Additions	-	-	-	-	-	-	-
Amortisation	-	(120,000)	-	(68,408)	(69,703)	(20,000)	(278,112)
FX Revaluation	-	-	(1,645)	3,209	3,314	-	4,879
At 30 June 2020, net of accumulated amortisation and	2,302,857	350,000	245,563	77,973	72,873	80,000	3,129,266

(i) Purchase of Spectrum

The licenses intangible asset reflects the carrying value of the unimpaired amount paid for the purchase of the exclusive reseller agreement with NetSuite for the JCurve ERP edition of the NetSuite software. This Agreement with NetSuite provides JCurve Solutions with the exclusive selling rights for the JCurve ERP edition of the NetSuite business software for an indefinite period and was the basis on which Interfleet Pty Ltd immediately became a five star NetSuite partner on becoming a NetSuite Solution Provider in August 2016. The agreement was the basis from which the Company has built its ERP practice. The NetSuite JCurve ERP reseller agreement provides that in the event of cancellation of the Agreement, the customers of JCurve would be assigned to NetSuite and NetSuite would be required to pay JCurve Solutions a royalty of 30% of the future revenue stream to NetSuite for a 3-year period which along with an increasing level of license commission and service revenue which is generated from the sale of NetSuite editions indicates that it is unlikely that there will be an impairment in future periods.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(ii) Pistachio Connector

On 8 April 2019, JCurve Business Software Pty Ltd, a 100% owned subsidiary of JCurve Solutions Limited, purchased the JConnect E-Commerce connector from Pistachio Media. The E-Commerce connector links a customers website to the JCurve edition of NetSuite. JCurve Business Software Pty Ltd previously operated under a licensing arrangement with Pistachio Media with both customers managed directly through JCurve Business Software Pty Ltd as well as some customers directly being managed by Pistachio Media.

The total cost of the asset acquisition was $100,000 which was settled in cash on 27 June 2019. Purchase costs of $3,480 were included in professional fees in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2019.

(1) Accounting policy

(i) Intangible assets – Licenses and other intangible assets

Intangible assets acquired separately or in a business combination are initially measured at cost. The cost of an intangible asset acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is charged against profits in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangibles are not amortised. The useful life of an intangible asset with an indefinite life is reviewed each reporting period to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for as a change in an accounting estimate and is thus accounted for on a prospective basis.

(2) Significant accounting judgments, estimates and assumptions

(i) Impairment of intangibles with indefinite useful lives

The Group determines whether goodwill and intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the goodwill and intangibles with indefinite useful lives are allocated.

(ii) Useful life of the Riyo Platform

The Group has determined that the useful life of the Riyo Platform is 5 years with the useful life to be amortised on a straight line basis over the five year period.

(3) Impairment testing of intangible assets with indefinite lives

(i) Licenses – ERP Australia

The licenses intangible asset reflects the carrying value of the ERP relationship with Oracle NetSuite.

The recoverable amount of the Australian ERP Cash Generating Unit has been determined based on a value in use calculation using cash flow projections covering a 5-year period. The discount rate applied to the value in use calculations was 17% (2019: 15%). A long term growth rate of 3% has been assumed as has a terminal value. Based on these value in use calculations, there is no impairment for the year ended 30 June 2020 (2019: nil).

The carrying value of the NetSuite License remains $2,302,857. The carrying value of the Asia ERP Cash Generating Unit includes the licenses intangible asset, the pistachio connector intangible asset and an allocation of group non current assets.

If the discount rate applied was 10% higher the recoverable amount would decrease by $439,225 and if the discount rate applied was 10% lower the recoverable amount would increase by $483,157. If the long term growth rate projection applied was 10% lower than the amount forecast, the recoverable amount would decrease by $81,659 and if the long term growth rate projection applied was 10% higher the recoverable amount would increase by $81,659.

Based on the value in use calculations prepared, even in the instance of a higher discount rate or lower long term growth rate, the recoverable amount of the Cash Generating Unit exceeds the carrying value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(ii) Goodwill

The goodwill balance was recognised on the acquisition of the Spectrum business in December 2018.

The recoverable amount of the Asia ERP Cash Generating Unit has been determined based on a value in use calculation using cash flow projections covering a 5-year period. The discount rate applied to the value in use calculations was 18% (2019: 15%). A long term growth rate of 10% has been assumed as has a terminal value. Based on these value in use calculations, there is no impairment for the year ended 30 June 2020 (2019: nil).

The carrying value of the Goodwill balance reduced to $245,563 after revaluation from exchange rate movements. The carrying value of the Asia ERP Cash Generating Unit includes goodwill, the netsuite customer contracts intangible asset, the customer relationships intangible asset in addition to an allocation of group non current assets.

If the discount rate applied was 10% higher the recoverable amount would decrease by $344,357 and if the discount rate applied was 10% lower the recoverable amount would increase by $380,761. If the long term growth rate projection applied was 10% lower than the amount forecast, the recoverable amount would decrease by $152,785 and if the long term growth rate projection applied was 10% higher the recoverable amount would increase by $154,593.

Based on the value in use calculations prepared, even in the instance of a higher discount rate or lower long term growth rate, the recoverable amount of the Cash Generating Unit exceeds the carrying value.

NOTE 13: RIGHT OF USE ASSET

	Consolidated ($)	
	2020	**2019**
Buildings, at cost	2,430,876	-
Less accumulated depreciation	(470,124)	-
Net carrying amount	1,960,752	-
Office equipment, at cost	46,712	-
Less accumulated depreciation	(30,123)	-
Net carrying amount	16,589	-
Total net carrying amount	1,977,341	-

Reconciliations:

	Buildings	Office equipment	Total
Movements:			
Net carrying amounts as at 30 June 2018	-	-	-
Additions	-	-	-
Depreciation charges	-	-	-
Net carrying amounts as at 30 June 2019	-	-	-
Net carrying amounts as at 1 July 2019 (*)	2,430,876	46,712	2,477,588
Disposals	-	-	-
Additions	-	-	-
Depreciation charges	(470,124)	(30,123)	(500,247)
Net carrying amounts as at 30 June 2020	1,960,752	16,589	1,977,341

(*) Adopted AASB 16 from 1 July 2019. Refer to note 25(3) for more information.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(1) Accounting policy

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset for all short-term leases with terms of 12 months or less and leases of low-value assets. Where applicable, lease payments on these assets are expensed to profit or loss as incurred.

NOTE 14: TRADE AND OTHER PAYABLES

	Consolidated ($)	
	2020	**2019**
Current:		
Trade payables (*)	962,809	1,527,278
Other payables	279,033	530,376
Accrued expenses	1,003,912	853,812
Deferred consideration	-	352,383
	2,245,754	3,263,849

(*) Trade payables are non-interest bearing and are normally settled on 30-day terms. Information regarding the effective interest rate and credit risk of current payables is set out in Note 21.

(1) Accounting policy

Trade payables and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

NOTE 15: UNEARNED INCOME

	Consolidated ($)	
	2020	**2019**
Current:		
Unearned Income	2,076,493	2,023,347
Non Current:		
Unearned Income	220,443	181,738
	2,296,936	2,205,085

(1) Accounting policy

Unearned income is carried at amortised cost and represents amounts billed to customers in advance of the revenue being recognised in accordance with the revenue recognition policy outlined in note 3. Unearned income is presented as a current liability unless the performance obligations associated with the revenue will be satisfied in greater than 12 months.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 16: LEASE LIABILITIES

	Consolidated ($)	
	2020	2019
Current:		
Lease liabilities	468,913	-
		-
Non Current:		
Lease liabilities	1,533,509	-
	2,002,422	-

(1) Accounting policy

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The Group has elected not to recognise a lease liability for all short-term leases with terms of 12 months or less and leases of low-value assets. Where applicable, lease payments on these assets are expensed to profit or loss as incurred.

Refer to note 25(3) for an explanation of the Group's accounting policy for leases on adoption of AASB 16 from 1 July 2019 including the reconciliation of operating lease commitments to lease liability.

Refer to note 24 for the details on the maturity profile of the Group's lease commitments.

NOTE 17: PROVISIONS

	Consolidated ($)	
	2020	2019
Current:		
Annual leave	347,235	244,957
Long service leave	89,984	86,469
	437,219	331,426
Non-current:		
Long service leave	64,350	64,486
Make good provision	27,093	23,925
	91,443	88,411

(1) Accounting policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. The current pre-tax rate used for discounting purposes is 2.73% (2019: 2.73%).

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

NOTE 18: SHARE CAPITAL

	Consolidated ($)	
	2020	**2019**
Ordinary shares issued and fully paid (i)	17,382,891	17,382,891
Unissued shares	205,357	205,357
	17,588,248	17,588,248

(i) Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Movement in ordinary shares on issue	**No.**	**$**
At 1 July 2018	327,856,900	17,382,891
Movement	-	-
At 30 June 2019	327,856,900	17,382,891
Movement	-	-
At 30 June 2020	327,856,900	17,382,891

(1) Accounting policy

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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(2) Share Option Plan - Acquisition of JCurve Business Software

JCurve Solutions Limited issued 35,714,284 options (valued at $1,572,144) as part consideration for the acquisition of JCurve Solutions Pty Ltd by its' subsidiary JCurve Business Software Pty Ltd in October 2013. Refer to Note 26(ii) for further information.

NOTE 19: RESERVES

	Consolidated ($)	
	2020	**2019**
Equity Benefits Reserve		
Balance at the start of the year	1,819,187	1,803,880
Shares cancelled under Employee Share Plan	-	-
Issued rights under Employee Incentive Scheme	9,741	15,307
Balance at the end of the year	1,828,928	1,819,187

	Consolidated ($)	
	2020	**2019**
Foreign Currency Translation Reserve		
Balance at the start of the year	(1,070)	-
Currency translation differences arising during the year	(2,807)	(1,070)
Balance at the end of the year	(3,877)	(1,070)
	1,825,051	1,818,117

NOTES TO THE FINANCIAL STATEMENTS (continued)

(1) Accounting policy

The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using the Black- Scholes model, further details of which are given in Note 26(i).

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of JCurve Solutions Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Group's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The Statement of Profit or Loss and Other Comprehensive Income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share (see Note 6).

(2) Significant accounting judgments, estimates and assumptions: Share based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black - Scholes model, using the assumptions as detailed in the notes to the financial statements.

NOTE 20: CRITICAL JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(1) Revenue recognition - Identification of performance obligations – refer to note 3;
(2) Revenue recognition – Satisfaction of performance obligations – refer to note 3;
(3) Impairment of intangibles with indefinite useful lives – refer to note 12;
(4) Useful life of the Riyo Platform - refer to note 12;
(5) Share-based payment transactions – refer to note 19; and
(6) Recovery of deferred tax assets – refer to note 5;

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 21: FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(1) Capital risk management

Capital risk is managed and monitored by liaising with banks and communicating with shareholders. JCurve Solutions considers new government legislation and monitors the market place by canvassing information from stockbrokers and investors.

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity. Management adjust the capital structure as necessary to take advantage of favourable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(i) Categories of financial instruments

	Consolidated ($)	
	2020	**2019**
Financial assets		
Cash and cash equivalents	4,152,349	4,765,339
Receivables	2,265,193	2,389,384
Other current assets	217,276	231,365
Other financial assets	10,460	10,454
Financial liabilities		
Payables	2,245,754	3,263,849

The Group has no derivative instruments in designated hedging relationships.

(2) Financial Risk Management

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are outlined above in the relevant note.

The Group's principal financial liabilities are trade payables and unearned income which arise during the course of operations. The Group has various financial assets such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The Group's policy throughout 2020 has remained that no trading in derivatives shall be undertaken. The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, and credit risk. The Board of Directors reviews and agrees on policies for managing each of these risks which are summarised on the following pages.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(3) Interest Rate Risk

The following table sets out the carrying amount, by maturity, of the Group's financial instruments including those exposed to interest rate risk:

	Consolidated ($)			
	Within 1 year	**1 to 5 years**	**Total**	**Weighted average effective interest rate %**
Year ended 30 June 2020				
Financial assets				
Non interest bearing:				
Trade and other receivables	2,265,193	-	2,265,193	
Other Current Assets	649,165	-	649,165	
	2,914,358	-	2,914,358	
Floating rate:				
Cash Assets	4,152,349	-	4,152,349	0.11%
Other Current Assets	217,276	-	217,276	1.52%
	4,369,625	-	4,369,625	
	7,283,983	-	7,283,983	
Financial liabilities				
Payables	2,245,754	-	2,245,754	
	2,245,754	-	2,245,754	
Year ended 30 June 2019				
Financial assets				
Non interest bearing:				
Trade and other receivables	2,389,384	-	2,389,384	
Other Current Assets	694,276	-	694,276	
	3,083,660	-	3,083,660	
Floating rate:				
Cash Assets	4,765,339	-	4,765,339	0.15%
Other Current Assets	231,365	-	231,365	2.04%
	4,996,704	-	4,996,704	
	8,080,364	-	8,080,364	
Financial liabilities				
Payables	3,263,849	-	3,263,849	
	3,263,849	-	3,263,849	

For all financial instruments, the net fair value approximates their carrying value.

No financial assets and financial liabilities are readily traded on organised markets in standardised forms.

Interest on financial instruments classified as floating rate is fixed at intervals of less than one year. The other financial instruments of the Group that are not included in the above tables are non-interest bearing and are therefore not subject to interest rate risk.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Interest rate risk sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivative and non-derivative instruments at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's net profit before tax would increase by $21,847 and decrease by $5,657 respectively (2019: increase by $24,915 and decrease by $10,188). This is mainly attributable to the Group's exposure to interest rates on its variable rate cash deposits.

(4) Price Risk – Equity and Commodity

The Group's exposure to commodity and equity securities price risk is minimal.

(5) Foreign Currency Risk

Following the acquisition of Spectrum and establishment of a Philippines centre of excellence, the Group is now exposed to foreign currency risk from movements in the Australian dollar relative to the Singapore and US Dollar's and Philippine Peso. Foreign currency risk arises from future transactions and recognizing assets and liabilities denominated in a currency that is not the Group's functional currency.

The Group seeks to limit its exposure to foreign currency risk, by maintaining a bank account denominated in Singapore dollars and is in the process of setting up a Philippines bank account denominated in Philippine Peso so that income received from Asian customers is deposited and held in the overseas currency without the need to transact in multiple currencies.

The Group's exposure to foreign currency risk at the reporting date is as follows (in AUD translated balances):

	Consolidated ($)	
Year ended 30 June 2020	**2020**	**2019**
Cash and cash equivalents	126,690	12,605
Trade and other receivables	398,267	215,095
Other financial assets	10,460	120,435
Other current assets	115,744	
Total Current Assets	**651,161**	**348,135**
Property, plant and equipment	18,318	2,783
Intangible assets	396,408	529,642
Total Non Current Assets	**414,726**	**532,425**
Total Assets	**1,065,887**	**880,560**
Trade and other payables	445,907	438,846
Unearned income	422,474	133,657
Provisions - current	93,743	15,337
Total current liabilities	**962,124**	**587,840**
Total Liabilities	**962,124**	**587,840**
Net Assets	**103,763**	**292,720**

For the year ending 30 June 2020, if the average exchange rate for AUD:SGD had been 10% lower or higher and all other variables were held constant, the Group's net profit before tax would decrease by $53,851 and increase by $44,060 respectively (2019: decrease by $21,716 and increase by $17,767).

For the year ending 30 June 2020, if the average exchange rate for AUD:PHP had been 10% lower or higher and all other variables were held constant, the Group's net profit before tax would decrease by $65,819 and increase by $53,852 respectively (2019: decrease by nil and increase by nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

(6) Credit Risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group does not hold any credit derivatives to offset its credit exposure.

The Group trades only with recognised, creditworthy third parties, and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the board. These risk limits are regularly monitored.

Receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

At 30 June 2020, the ageing analysis of trade receivables is as follows:

	Consolidated	0-30 days	0-30 days	31-60 days	31-60 days	61-90 Days	61-90 Days	+91 days	+91 days
	Total		CI*		CI*	PDNI*	CI*	PDNI*	CI*
	$	$	$	$	$	$	$	$	$
2020	1,347,273	730,398	-	195,426	-	139,337	-	238,867	43,244
2019	1,432,258	1,013,134	1,015	207,913	1,015	73,727	1,015	100,009	34,430

* **PDNI** - Past due not impaired

CI - Considered impaired

The receivables which are past due but not considered impaired was $378,205 (2019: $173,736).

The provision for doubtful debts as at 30 June 2020 is $94,679 (2019: $71,952). The provision for doubtful debts includes expected credit losses which as a result of the Covid-19 pandemic and the potential for increased credit losses, the allowance for expected credit losses was reviewed and an increase in the provision from $13,378 as at 30 June 2019 to $62,042 as at 30 June 2020 was recognised.

Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected that these other balances will be received when due.

(7) Liquidity Risk Management

Ultimate responsibility for liquidity risk management rests with the board of directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The impacts of the Covid-19 pandemic has seen an increasing level of focus on liquidity risk which has included adjustments to the Group's financial modelling and the monthly papers presented to the Board including a 12 month going concern forecast.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 22: CONTINGENCIES

(1) Contingent Liabilities

The Group does not have any contingent liabilities.

NOTE 23: EVENTS OCCURRING AFTER THE REPORTING PERIOD

Since the end of the financial year stage four lockdown restrictions have been enacted in Victoria for a period of six weeks from 2 August 2020. Our office in Victoria remains closed and the Group continues to operate under its business continuity plan in all locations which includes all employees working from home. Under the increased lockdown the Group expects that winning new business sales in all regions will remain very challenging while additional churn across the ERP and TEMS customer portfolio may occur as businesses struggle with the enforced lockdown.

A similar lockdown has been enacted in the Philippines which has similarly delayed the first customer ERP sales in the region.

With the exception of the Victorian stage four lockdown and Philippines lockdown, no other matters or circumstances have arisen since 30 June 2020 that significantly affect, or may significantly affect:

(a) the Group's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Group's state of affairs in future financial years.

NOTE 24: COMMITMENTS

(1) Remuneration Commitments

There are no commitments for the payment of salaries and other remuneration under long-term employment contracts in existence at the reporting date.

(2) Lease Commitments

The Group had the following lease commitments at balance date:

	Consolidated ($)	
	2020	**2019**
Within one year	505,747	494,226
After one year but not more than five years	1,677,502	282,300
	2,183,249	776,526

The lease commitments are in respect of the Chatswood office, St Kilda office, an office in Singapore and an office in the Philippines as well as telephone and printer leases.

(i) Accounting policy - Leases

Refer to note 25(3) for an explanation of the Group's accounting policy for leases on adoption of AASB 16 from 1 July 2019.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 25: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of Preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB). JCurve Solutions Limited is a for-profit entity for the purposes of preparing the financial statements.

The accounting policies detailed below have been consistently applied to all years unless otherwise stated. The financial report is for the consolidated entity consisting of JCurve Solutions Limited and its subsidiaries.

The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars and all values are rounded to the nearest dollar.

(2) Changes to presentation

The classification of some prior period comparatives have been adjusted to reflect an internal reporting change in the presentation of financial statement line items which the Company believes will assist users with their understanding of the Annual Report. There was no net overall profit or loss effect from the reclassification.

(3) New and amended standards adopted by the group

A number of new or amended standards became applicable for the current reporting period from 1 July 2019.

(1) AASB 16 Leases

The Group has had to change its accounting policies as a result of adopting AASB 16 Leases. AASB 16 was issued to replace AASB 117 Leases and a number of interpretations.

For lessees such as JCurve Solutions, the new accounting policy eliminates the classifications of operating leases and finance leases and provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements.

The new standard has effected the Group's accounting for leases by:

(1) Providing enhanced guidance on identifying whether a contract contains a lease;
(2) Providing a completely new leases accounting model for lessees that require lessees to recognise all leases on balance sheet except for short-term leases and leases of low value assets; and
(3) Requiring enhanced financial statement disclosures.

Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the Statement of Financial Position. Straight-line operating lease expense recognition which was the Group's previous accounting policy (in line with AASB 117) has been replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance expense).

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 improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities.

The revised accounting policy has impacted the Group's operating leases for which the Group currently has eight non-cancellable operating leases.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for all short-term leases with terms of 12 months or less and leases of low-value assets. Where applicable, lease payments on these assets are expensed to profit or loss as incurred.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Prior year comparative numbers have not been updated with the Group electing to apply the modified retrospective method from 1 July 2019.

AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated.

(i) The financial effect of adopting AASB 16 is summarised as follows:

	Consolidated ($)		
Statement of Profit or Loss and Other Comprehensive Income	Amount under new accounting policy (AASB 16)	Amount under previous accounting policy (AASB 117)	Effect of change to accounting policy
Occupancy expenses	85,342	598,276	(512,933)
Depreciation and amortisation expenses	817,201	316,954	500,247
Finance expense	44,349	6,581	37,768
	946,892	921,811	25,082

	Consolidated ($)		
Statement of Financial Position	Amount under new accounting policy (AASB 16)	Amount under previous accounting policy (AASB 117)	Effect of change to accounting policy
Right-of-use asset	1,977,341	-	1,977,341
Lease liabilities – current	(324,920)	-	(324,920)
Lease liabilities – non current	(1,677,503)	-	(1,677,503)
	(25,082)	-	(25,082)
Retained losses	(14,490,430)	(14,515,512)	25,082
Total equity	4,922,870	4,897,789	25,082

NOTES TO THE FINANCIAL STATEMENTS (continued)

(ii) Reconciliation of operating lease commitments to lease liability

	Consolidated ($)
Operating lease commitments disclosed as at 30 June 2019	776,526
Discounted using the lessee's incremental borrowing rate at the date of initial application	(31,443)
Lease extensions not previously recognised as at 30 June 2019 as the lease was not yet signed but recognised under AASB16	1,732,505
Short term leases previously recognised as a commitment but recognised as an expense	-
Lease liability recognised as at 1 July 2019	2,477,588
Of which was a:	
Current lease liability	686,309
Non-current lease liability	1,791,279
	2,477,588

(2) AASB Interpretation 23

The Group has adopted AASB Interpretation 23 Uncertainty over Income Tax Treatments from 1 July 2019. AASB Interpretation 23 outlines the requirements around accounting for uncertain tax positions. The Group has concluded that it is probable that the tax authorities will accept the current method of calculating the Group's current tax liability which is calculated in accordance with AASB 112.

(4) New accounting standards and interpretations not yet adopted

The Directors have reviewed all of the new and revised accounting standards and interpretations issued by the Australian Accounting Standards Board for annual reporting periods beginning or after 1 July 2019. It has been determined that there is no impact, material or otherwise, of any other new or revised accounting standards and interpretations other than those outlined in the New and amended standards adopted by the group outlined above.

(5) Statement of Compliance

The financial report was authorised for issue on 25 August 2020.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(6) Basis of Consolidation

The consolidated financial statements comprise the financial statements of JCurve Solutions Limited and its subsidiaries as at 30 June each year (the Group).

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of subsidiaries for the period from their acquisition.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 26: SHARE-BASED PAYMENT PLANS

(i) Shares issued under Equity Incentive Plan

Performance Rights issued during the year ended 30 June 2017

The equity incentive plan was approved by shareholders at the Annual General Meeting held on 22 November 2016. On 27 June 2017, 10,000,000 performance rights (valued at $27,500) were issued to employees under the plan. These performance rights were revalued to $54,862 following an increase in the JCurve Solutions Limited share price during the year. On 9 October 2017, 1,500,000 performance rights (valued at $30,933) were issued to employees under the plan. Each performance right had a nil exercise price and converted into one fully paid ordinary share in JCurve Solutions Limited upon meeting the vesting conditions. The performance rights were to vest on 31 August 2019. If the vesting conditions were not met the performance right lapsed on 31 August 2019.

During the year ended 30 June 2019, 1,500,000 performance rights (valued at $30,933) were cancelled under the plan when the performance condition associated with the performance rights were not met.

During the year ended 30 June 2020, the remaining 10,000,000 performance rights (valued at $27,500) were cancelled under the plan when the performance condition associated with the performance rights were not met.

Performance Rights issued during the year ended 30 June 2020

The equity incentive plan was approved by shareholders at the Annual General Meeting held on 19 November 2019. On 7 February 2020, 10,800,000 performance rights (valued at $27,449) were issued to employees under the plan. Each performance right has a nil exercise price and convert into one fully paid ordinary share in JCurve Solutions Limited upon meeting the vesting conditions. The performance rights vest in three tranches as follows:

(1) Tranche one: 3,600,000 performance rights vests of 31 January 2021;
(2) Tranche two: 3,600,000 performance rights vests of 31 January 2022;
(3) Tranche three: 3,600,000 performance rights vests of 31 January 2023

If the vesting conditions are not met the performance right lapses on the vesting date.

The share-based payment expense is recognised in the Statement of Profit or Loss and Other Comprehensive Income evenly over the vesting period.

(ii) Share Option Plan – Acquisition of JCurve Business Software

JCurve Solutions Limited issued 35,714,284 options (valued at $1,572,144) as part consideration for the acquisition of JCurve Solutions Pty Ltd by its subsidiary JCurve Business Software Pty Ltd.

The contractual life of each option granted is between 3 and 5 years. There are no cash settlement alternatives.

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options issued during the year:

	2020		2019	
	No.	**Weighted average exercise price**	**No.**	**Weighted average exercise price**
Outstanding at the beginning of the year	-	-	8,928,571	$0.000001
Expired during the year	-	-	(8,928,571)	-
Granted during the year	-	-	-	-
Outstanding at the end of the year	-	-	-	-
Exercisable at the end of the year	-		-	

8,928,571 of options expired during the 2019 year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 27: REMUNERATION OF AUDITORS

The auditor of JCurve Solutions Limited (the Group) is BDO Audit Pty Ltd.

	Consolidated ($)	
	2020	**2019**
Auditors of the Group – BDO and related network firms		
Audit and review of financial statements		
Group (BDO Audit Pty Ltd)	76,000	72,084
Controlled entities (related network firms)	2,491	-
Total audit and review of financial statements	78,491	72,084
Total services provided by BDO and related network firms	78,491	72,084
Other auditors and their related network firms		
Audit and review of financial statements		
Controlled entities	7,113	-
Total services provided by other auditors (excluding BDO)	7,113	-

During the year ended 30 June 2020, local auditors in Singapore and Philippines were appointed to undertake the local subsidiary audits.

NOTE 28: RELATED PARTY TRANSACTIONS

(1) Subsidiaries

The consolidated financial statements include the financial statements of JCurve Solutions Limited and the subsidiaries listed in the following table.

	Country of	% Equity Interest	
Name	**Incorporation**	**2020**	**2019**
JCurve Business Software Pty Ltd	Australia	100	100
Fleet Manager Pty Ltd	Australia	100	100
Phoneware Pty Ltd	Australia	100	100
Interfleet Pty Ltd	Australia	100	100
The Full Circle Group Pty Ltd	Australia	100	100
JCS Tech Solutions Pty Ltd	Australia	100	100
JCurve Solutions Asia Pte Ltd	Singapore	100	100
JCurve Mobile Services Pty Ltd	Australia	100	100
JCurve Solutions Philippines Inc	Philippines	100	100
Riyo Tech Solutions Pte Ltd	Singapore	100	-
Sumptuous Tech Holdings Pte Ltd	Singapore	100	-

JCurve Solutions Limited is an Australian entity and the ultimate parent of the Group. JCurve Business Software Pty Ltd, Fleet Manager Pty Ltd, Phoneware Pty Ltd, Interfleet Pty Ltd, The Full Circle Group Pty Ltd, JCurve Mobile Services Pty Ltd and JCS Tech Solutions Asia Pte Ltd are all incorporated in Australia. JCurve Solutions Asia Pte Ltd was incorporated on the 22nd of December 2016 and is domiciled in Singapore. Riyo Tech Solutions Pte Ltd and Sumptuous Tech Holdings Pte Ltd were incorporated on the 10th of February and the 5th of February 2020 and are both domiciled in Singapore.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(2) Director and Key Management Personnel Compensation

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

	Consolidated ($)	
	2020	2019
Short-term employee benefits	1,669,506	1,606,333
Post-employment benefits	114,105	135,142
Other long-term benefits	7,544	38,054
Share-based payments	9,741	15,308
Total Compensation	1,800,896	1,794,837

NOTE 29: PARENT ENTITY FINANCIAL INFORMATION

Financial position

	2020 $	2019 $
Assets		
Current assets	4,529,898	3,178,881
Non-current assets	2,412,626	3,065,070
Total assets	6,942,524	6,243,951
Liabilities		
Current liabilities	1,968,378	1,446,792
Non-current liabilities	14,662	37,902
Total liabilities	1,983,040	1,484,694
Net Assets	4,959,484	4,759,257
Equity		
Issued capital	17,588,248	17,588,248
Accumulated losses	(14,457,693)	(14,648,179)
Reserves	1,828,929	1,819,188
Total equity	4,959,484	4,759,257

Financial Performance	Year ended 30 June 2020 $	Year ended 30 June 2019 $
Net profit for the year	190,486	383,235

DIRECTORS' DECLARATION

In the opinion of the directors:

(a) the financial statements and notes set out on pages 23 to 56 are in accordance with the *Corporations Act 2001*, including:

(i) complying with the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

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

Note 25(5) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by Section 295A of the *Corporations Act 2001*.

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

Bruce Hatchman

Chairman

Dated 25 August 2020

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Australia

INDEPENDENT AUDITOR'S REPORT

To the members of JCurve Solutions Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of JCurve Solutions Limited(the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2020, 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 report, including a summary of significant accounting policies and the directors' declaration.

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and

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

Basis for opinion

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

We 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.

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.

Carrying value of Intangible assets

Key audit matter	How the matter was addressed in our audit
At 30 June 2020, the carrying value of Intangible Assets was $3,129k, as disclosed in Note 12. The assessment of the carrying value of Intangible Assets requires management to make significant accounting judgements and estimates in producing the discounted cash flow models used to determine whether the assets are appropriately carried. An annual impairment test for Intangible Assets is required for indefinite life assets or where there are indicators of impairment under Australian Accounting Standard (AASB) 136 Impairment of Assets. Refer to Note 12 for the detailed disclosures, which include the related accounting policies and the critical accounting judgements and estimates.	Our audit procedures to address the key audit matter included, but were not limited to, the following: • Analysing management's key assumptions used in the discounted cash flow models to determine their reasonableness; • Challenging the appropriateness of management's discount rates used in the discounted cash flow models; • Challenging assumptions around timing of future cash flows; • Checking the mathematical accuracy of the discounted cash flow model; • Performing sensitivity analysis on key assumptions to determine if there would be a significant change to the carrying value of the asset; • Assessed the adequacy of the Group's disclosures in respect of Intangible Assets carrying values and impairment assessment assumptions as disclosed in Note 12 of the financial report; and • Consider any additional impairment indicators as per AASB 136 Impairment of Assets and the effects of such on management's assumptions.

Recognition of license and implementation revenue

Key audit matter	How the matter was addressed in our audit
AASB 15 Contracts with Customers uses a five step model to recognise revenue. A number of judgements and estimates are made in order to determine the point at which performance obligations are met and revenue can be recognised. Due to the nature of these key estimates and judgements, and given the financial significance of revenue to the users of the financial report, revenue recognition of license and implementation revenue has been determined as a key audit matter. The disclosure in connection with the recognition of license and implementation revenue can be found in Note 3.	Our audit procedures to address the key audit matter included, but were not limited to, the following: • Performing testing, on a sample basis, of management's judgement in relation to application of "Go-live" dates during the year and subsequent to year end to ensure revenue was recorded in the correct accounting period; • Review the operating effectiveness of internal controls in relation to the judgements associated with the satisfaction of identified performance obligations; • Reviewing a sample of deferred revenue balances at year end to ensure that revenue was appropriately deferred in accordance with the progress of individual projects; and • Selecting a sample of projects during the year and agreeing them to customer contracts to ensure that revenue and deferred revenue were correctly calculated in accordance with AASB 15 and the Group's revenue accounting policies.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and the auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the 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 (http://www.auasb.gov.au/Home.aspx) at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of JCurve Solutions Limited, for the year ended 30 June 2020, 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.

BDO Audit Pty Ltd

BDO

Gareth Few

Gareth Few
Director

Sydney, 25 August 2020

SHAREHOLDER INFORMATION

(a) Distribution of ordinary shareholder numbers

Category	Holders	Holders as % of Total Holders	Units	Units as % of Issued Capital
1 - 1,000	68	14.53%	6,118	0.00%
1,001 - 5,000	12	2.56%	33,013	0.01%
5,001 - 10,000	45	9.62%	390,767	0.12%
10,001 - 100,000	179	38.25%	8,404,777	2.56%
100,001 - and over	164	35.04%	319,022,225	97.31%
	468	**100.00%**	**327,856,900**	**100.00%**

There are 154 shareholders that hold less than a marketable parcel as at 28 July 2020.

(b) Substantial shareholders

The names of the substantial shareholders listed in the Group's register as at 30 June 2020 and 28 July 2020 are outlined below, based on the shareholders last lodged Substantial Shareholder notice:

	30 June 2020		28 July 2020	
Shareholder	**Number of ordinary shares held**	**% held of ordinary share capital**	**Number of ordinary shares held**	**% held of ordinary share capital**
Gramell Investments Pty Limited	83,124,215	25.35%	83,124,215	25.35%
Mark Jobling	51,204,301	15.60%	50,704,301	15.47%
Philip Ewart	40,128,332	12.24%	40,128,332	12.24%

(c) Voting rights

At members' meetings, each eligible voter (i.e. eligible member, proxy, attorney or representative of an eligible member) has one vote on a show of hands; and one vote on a poll (except where a share has not been fully paid, that share will only confer that fraction of one vote which has been paid, and if the total number of votes does not constitute a whole number, the fractional part of that total will be disregarded). This is subject to the following:

- Where any calls due and payable have not been paid;
- Where there is a breach of a restriction agreement;
- Where a member and their proxy or attorney are both present at the meeting, or if more than one proxy or attorney is present;
- Where a vote on a particular resolution is prohibited by the *Corporations Act 2001*, Listing Rules, ASIC or order of a Court.

(d) Company secretary

The name of the company secretary is David Franks.

(e) Registered office

The address of the principal registered office in Australia is:
Level 8, 9 Help Street
Chatswood NSW 2067

(f) Register of securities

The registers of securities are held at the following address:
Automic Registry Services
Level 5/126 Phillip St, Sydney NSW 2000
1300 288 664 or +61 2 9698 5414

SHAREHOLDER INFORMATION (continued)

(g) Top 20 Registered Holders – Ordinary Shares as of 28 July 2020

	Name	Number of Ordinary Shares	% of Ordinary Shares Held
1	GRAMELL INVESTMENTS PTY LIMITED <SUPERANNUATION FUND A/C>	83,124,215	25.35%
2	MR MARK CHRISTOPHER JOBLING	48,399,564	14.76%
3	DR PHILIP GORDON WILSON EWART & MRS KYLIE EWART <EWART SUPER FUND A/C>	31,006,381	9.46%
4	JACANA GLEN PTY LTD <LARKING SUPER FUND NO 2 A/C>	10,000,000	3.05%
5	MR GREGORY PETER WILSON	9,000,000	2.75%
6	P EWART INVESTMENTS PTY LTD	7,848,470	2.39%
7	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,767,180	2.06%
8	POTENTATE INVESTMENTS PTY LTD <NORSTER FAMILY A/C>	6,330,943	1.93%
9	ROUND ETERNAL INVESTMENTS PTY LTD <VISION SPLENDID A/C>	6,000,000	1.83%
10	SHANMAC PTY LTD <SHANMAC A/C>	4,516000	1.38%
11	MR DAVID JAMES FRANKS & MR WALTER GEORGE FRANKS <DELPHINI SUPER FUND A/C>	4,206,174	1.28%
12	BENGER SUPERANNUATION PTY LIMITED <BENGER SUPER FUND A/C>	3,874,263	1.18%
13	MR CHARLES BYRON SMITH	3,785,600	1.15%
14	BUFF HOLDINGS PTY LTD <BRUCE & EVE HATCHMAN SF A/C>	3,500,000	1.07%
15	MR STEPHEN CANNING	3,233,418	0.99%
16	DR PHILIP GORDON WILSON EWART	3,195,579	0.97%
17	VERSAILLES HOLDINGS PTY LTD <THE ALMONTE FAMILY A/C>	3,000,000	0.92%
18	MS KYLIE LYNETTE NUSKE & MR MATTHEW JAMES COOK <VISION SPLENDID SUPER A/C>	2,500,000	0.76%
19	MR ANDREW JOHN PETTINELLA <PETTINELLA SUPER FUND A/C>	2,360,000	0.72%
20	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	2,347,011	0.72%
	TOTAL HELD BY TOP 20 HOLDERS	**244,994,798**	**74.72%**
	TOTAL HELD BY REMAINING SHAREHOLDERS	**82,862,102**	**25.28%**

(h) Stock exchange listing– ordinary shares (as of 30 June 2020)

Quotation has been granted for all the ordinary shares of the Company on the Australian Securities Exchange.

(i) Restricted securities

As at 30 June 2020 and 28 July 2020 there are no restricted security classes recorded in the Company's share register.

(j) Unquoted securities

The unquoted securities of the Company as at 28 July 2020 are:

10,800,000 Performance Rights are outlined below:

Number of Performance Rights	Exercise Price	Expiry Date	Number of Holders
3,600,000	$Nil	31 January 2021	6
3,600,000	$Nil	31 January 2022	6
3,600,000	$Nil	31 January 2023	6

(k) Listing Rule 3.13.1 and 14.3

Further to Listing Rule 3.13.1 and Listing Rule 14.3, the Annual General Meeting of JCurve Solutions is scheduled for 23 November 2020.