

14 October 2021

2021 Annual Report

JCURVE SOLUTIONS LIMITED (ASX: JCS), the business transformation technology company, attaches its FY2021 Annual Report.

This announcement has been authorised for release by the Board of JCURVE SOLUTIONS LIMITED.

About Jcurve

Jcurve works collaboratively with ambitious organisations to drive growth through the effective use of technology. Serving as a trusted guide in an on-demand world, Jcurve helps build growing and resilient organisations to withstand market disruption.

From business management solutions and consulting services to field service management and digital marketing services – Jcurve is uniquely positioned to help organisations on their business transformation journey.

For more information, please visit www.jcurvesolutions.com.



Advancing ambition



JCURVE SOLUTIONS LIMITED
ANNUAL
FINANCIAL
REPORT



"**Jcurve** works collaboratively with ambitious organisations to drive growth through the effective use of technology. Serving as a trusted guide in an on-demand world, we help build growing and resilient organisations to withstand market disruption."

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8 October 2021

Dear Fellow Shareholders,

COVID-19 has challenged us all - as individuals, families, communities and as Executives overseeing your business. To the great credit of your management and employees, JCurve Solutions achieved a profitable result in FY2021. Your agile, resilient business is ready to meet the challenges and to take opportunities in an ever-changing world.

Financial Strength – positioning for growth

JCurve Solutions returned to profitability for the year ended 30 June 2021 (FY2021) by generating a statutory pre-tax profit of \$0.3 million and a normalised EBITDA of \$1.2 million. This result reflects a significant improvement in the statutory pre-tax loss of \$0.2 million and normalised EBITDA of \$0.7 million generated in the twelve months ended 30 June 2020 (FY2020). While our revenue levels were down, we implemented several cost-saving initiatives at the start of the COVID-19 pandemic to further strengthen the company's financial position in the face of uncertain economic times.

JCurve Solutions achieved a cash flow positive result for FY2021 with operating cash inflows of \$1.8 million, which compares favourably to the \$0.3 million of cash inflows generated in FY2020. The 30 June 2021 cash balance was \$5.1 million, an increase from the reported \$4.2 million as of 30 June 2020.

Your company continues to be well-positioned for value opportunities with strong cash reserves and no debt.

Strategic priorities – driving growth

We remain resolute in our strategy of accelerating growth. With this in mind, our strategic priorities for the next twelve months are to:

- Profitably grow JCurve Solutions in Asia Pacific from our existing operations as well as through acquisition.
- Rapidly grow our Quicta (formerly Riyo) subscriber numbers and focus on product enhancements.
- Expand our Business Consulting and Advisory service (Vyzeri).
- Markedly increase shareholder value.

In early 2021, we saw changes at the Board level, as I, Mark Jobling, took on the role of Chairman and Martin Green joining the Board. Further, we bolstered our Executive team, appointing James Butler as Chief Marketing Officer and Arthur Fernandez to the new role of Chief Growth Officer.

CHAIRMAN and CEO Message (continued)

Rebranding - reflecting our growth

On 4 October 2021, JCurve Solutions launched its new branding. This new branding includes a fresh, modern take on the JCurve logo, a refreshed colour scheme, alongside a new tagline of 'Advancing Ambition'. The new tagline perfectly encapsulates the mission, which is to work collaboratively with ambitious organisations to drive growth through the effective use of technology.

The solutions and services we offer as part of a diversified portfolio will be reported moving forward under their refreshed brands of Optyc, Quicta, Vyzeri and Dygiq.

Outlook

Assuming the economies of Southeast Asia and Australia recover quickly from the COVID-19 pandemic, we are forecasting strong growth from our existing business operations.

We continue to focus on identifying and evaluating complementary technology business merger and acquisition opportunities. We have successfully purchased and integrated two smaller businesses, Creative Quest and Rapid E-Suite Thailand, over the past six months. Our focus is now on more significant opportunities that will result in a step-change in our revenue and profitability moving forward.

Final Remarks

Thank you to our employees, customers and shareholders for their ongoing support. Despite the challenging times that COVID-19 has presented, JCurve Solutions has evolved into a full-service digital transformation partner for businesses seeking to meet the challenges of today's business environment and assist in Advancing Ambition.



A handwritten signature in white ink, appearing to read 'M Jobling'.

Mark Jobling
Chairman



A handwritten signature in white ink, appearing to read 'S Canning'.

Stephen Canning
Chief Executive Officer

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 2021. 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.

- Mr Mark Jobling
- Mr Bruce Hatchman
- Mr Graham Baillie
- Mr David Franks was a Non-Executive Director from the beginning of the financial year until his resignation on 18 January 2021.
- Mr Martin Green was appointed as a Non-Executive Director on 18 January 2021 and continues in that position as at the date of this report.

Names, qualifications, experience, and special responsibilities

The following information is current as at the date of this report.



Mark Jobling

B. Eco, B Laws (Hons)
(Non-Executive Chairman)

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

Chairman of the Remuneration Committee.



Bruce Hatchman

FCA MAICD JP (Non-Executive Director)

Experience and expertise

Bruce Hatchman was appointed to the Board of JCurve Solutions on 27 November 2014 and acted as Chairman from 27 November 2014 until 8 January 2021. 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

None

Former directorships of other listed companies

Non-Executive Director of Consolidated Operations Group Limited (change of name post-resignation from the Company to COG Financial Services Limited).

Special responsibilities

Chairman of the Audit & Risk Management Committee and Member of the Remuneration Committee.

DIRECTORS' REPORT (continued)

Names, qualifications, experience, and special responsibilities

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.

Experience and expertise

Martin Green joined the Group on 18 January 2021 as a Non-Executive Director. He has a strong corporate background having played a significant role in the private investment arm of Consolidated Press Holdings Pty Limited (CPH) for more than 10 years and subsequently Hong Kong where he set up CPH's operations. After leaving CPH, Martin has assisted in building and monetising technology and other businesses in Asia through his extensive corporate network. Martin is based in Hong Kong and holds a BA (Hons) in Accounting and Finance.

Directorships of other listed companies

None

Former directorships of other listed companies

None.

Special responsibilities

Member of the Audit & Risk Management Committee and Member of the Remuneration Committee.

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 until his resignation.



Graham Baillie

FAICD (Non-Executive Director)



Martin Green

BA (Hons) in Accounting and Finance (Non-Executive Director) from 18 January 2021



David Franks

B.Ec, CA, F Fin, FGIA, JP.
(Non-Executive Director until his resignation on 18 January 2021 and Company Secretary)

DIRECTORS' REPORT (continued)

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
Mark Jobling	50,704,301	-
Bruce Hatchman	3,500,000	-
Graham Baillie	83,124,215	-
Martin Green	-	-
	137,328,516	-

A new equity incentive plan was approved by shareholders at the Annual General Meeting held on 19 November 2019.

In accordance with that plan, on the 16th of March 2021, 4,100,000 performance rights were issued to employees under this plan. The Performance Rights under this plan vest in three tranches in January 2022, June 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 2021.

Principal activities

The principal activities of JCurve Solutions during the year ended 30 June 2021 consisted of:

- 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;
- 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;
- 4) the sale of digital marketing services.

Review of Operations - Operating financial review

Financial Results for the Year

The Group recognised a profit after tax of \$0.2 million for year ended 30 June 2021 (2020: \$0.3 million loss).

The 'Normalised EBITDA' for the full year ended 30 June 2021 was \$1.2 million (2020: \$0.7 million), which has been determined as follows:

	Consolidated (\$)	
	2021	2020
Total profit/ (loss) after tax for the year	152,255	(298,804)
Add Back: Non-cash expenses:		
Depreciation / amortisation	864,271	817,201
Total non-cash expenses	864,271	817,201
Income tax expense	143,391	153,585
Interest income/finance costs	75,037	(1,481)
Normalised EBITDA	1,234,954	670,501

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 profit/(loss) after tax and normalised EBITDA. The directors use normalised EBITDA to assess the performance of the Group.

DIRECTORS' REPORT (continued)

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 2021 was \$10.6 million (2020: \$11.2 million), which includes revenue from the sale of JCurveERP/NetSuiteERP licenses and accompanying support and implementation revenue in Australia of \$7.7 million (2020: \$8.0 million), revenue from the sale of NetSuiteERP licenses and accompanying support and implementation revenue in Asia \$1.0 million (2020: \$1.0 million), revenue from the sale of Telecommunications Expense Management Solutions \$1.6 million (2020: \$2.1 million) and revenue from the sale and implementation of the Riyo solution \$0.2 million (2020: \$0.1 million).

Total expenses including depreciation for the full year ended 30 June 2021 was \$9.1 million (2020: \$11.7 million). The largest expense during the year ended 30 June 2021 was amounts paid to employees with \$5.5 million being paid or accrued (2020: \$6.2 million).

Financial Position as at 30 June 2021

The Group generated cash inflows for FY2021 of \$1 million, with a 30 June 2021 cash balance of \$5.1 million, which was an increase from the \$4.2 million as at 30 June 2020, with \$0.2 million paid during the year for the Creative Quest 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 \$5.1 million as at 30 June 2021 and no external debt.

The increase in assets from \$14.0 million as at 30 June 2020 to \$14.4 million as at 30 June 2021, is primarily the result of the stronger financial result achieved in FY2021.

The liabilities balance increased from \$9 million as at 30 June 2020 to \$9.4 million as at 30 June 2021 which is primarily the result of the project delivery status of a large contract won in November 2020. The Group recognizes revenue in the Statement of Comprehensive Income on completion of nominated performance obligations at which point the liability for any pre-billed services work is recognized as revenue.

Risk management

The Group recognises the need to proactively 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 the 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/corporate-governance/>

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, the following events have occurred which have impacted the operations of the Group:

1) Acquisition of the Thailand assets of Rapid E-Suite Pte Ltd

On the 9th of July 2021, the Group completed the acquisition of the Thailand business assets of Rapid E-Suite Pte Ltd, an Oracle NetSuite Member Status Solution Provider with 20 existing customers and which for the year ended 30 April 2021, generated S\$0.6 million of revenue and an EBITDA of S\$0.1 million from its Thailand operations. The purchase price for the acquisition was S\$250,000 cash paid on completion, S\$50,000 cash payable on reaching an agreed non-sales milestone by 9 October 2021 and a further cash earnout component capped at S\$500,000 dependent on the sales level for the Thailand operations in the 12 months immediately post-completion of the acquisition.

2) Lockdowns in key operating locations

Lockdown restrictions first announced on the 25th of June 2021, in New South Wales have been extended until the end of September 2021. Our office in Chatswood remains closed and the Group continues to operate under its business continuity plan in all locations which includes all employees working from home. Shorter lockdowns have been announced in Queensland, Victoria, Singapore and the Philippines.

DIRECTORS' REPORT (continued)

With the exception of the acquisition of the Thailand assets of Rapid E-Suite and the lockdowns outlined above, no other matters or circumstances have arisen since 30 June 2021 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.

Likely developments and expected results of operations

The Group's likely developments and expected results of operations are summarised through its four core strategic priorities for FY2022:

- Profitably Grow JCurve Solutions in Asia Pacific;
- Accelerate Riyo Go-To-Market;
- Seize adjacent Digital Transformation Opportunities;
- Increase Shareholder Value.

The COVID-19 has accelerated business change and the Group is expecting that as the economies recover we will see increasing numbers of Companies further embracing Cloud Technology.

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.

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:

Number of meetings:	Directors' Meetings Attended / (Eligible)	Audit & Risk Management Committee Attended / (Eligible)	Remuneration Committee Attended / (Eligible)
Mark Jobling	7 (7)	0 (0)	2 (2)
Bruce Hatchman	7 (7)	4 (4)	2 (2)
Graham Baillie	7 (7)	4 (4)	0 (0)
Martin Green (from 18 January 2021)	4 (4)	2 (2)	1 (1)
David Franks (until 18 January 2021)	3 (3)	2 (2)	1 (1)

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. Martin Green was appointed during the year and must stand for election at the first Annual General Meeting following his appointment under Clause 13.4 of the JCurve Solutions Constitution.

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:

2020: Bruce Hatchman and Mark Jobling;

2019: David Franks and Graham Baillie;

Therefore, under clause 13.4 of the JCurve Solutions Constitution, Graham Baillie and Martin Green are due for election at the Next Annual General Meeting.

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.

DIRECTORS' REPORT (continued)

This Independence Declaration is set out on page 21 and forms part of this Directors' Report for the year ended 30 June 2021.

Non-Audit Services

There were no non-audit related activities carried out by the Company's auditors during the year ended 30 June 2021.

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:

<https://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 2021. 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 2020 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

Mark Jobling

Non-Executive Director (Not Independent) until 17 January 2021 before transitioning to the Non-Executive Chairman role (Not Independent) from 18 January 2021

Bruce Hatchman

Non-Executive Chairman (Independent) until 17 January 2021 before transitioning to a Non-Executive Director role (Independent) from 18 January 2021

David Franks

Non-Executive Director – Independent (until 18 January 2021), resigned 18 January 2021

Graham Baillie

Non-Executive Director – Not Independent

Martin Green

Non-Executive Director – Independent (appointed 18 January 2021)

Executive Management Team (Executives)

Stephen Canning

Chief Executive Officer

James Aulsebrook

Chief Financial Officer

Kate Massey

Chief Marketing Officer including Sales Director responsibilities until resignation effective from 4 September 2020

Katrina Doring

Chief Operating Officer

Peter Choo

Product Strategy Director until resignation effective from 26 January 2021

Arthur Fernandez

General Manager – JCurve Solutions Asia and General Manager of Riyo

James Butler

Chief Marketing Officer (appointed 8 March 2021)

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.

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

2) Remuneration governance

Remuneration philosophy

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.

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 2021 was as follows:

- (1) For the period 1 July 2020 until 17 January 2021
 - (i) Bruce Hatchman (Chairman)
(Non Executive Director - Independent);
 - (ii) Mark Jobling (Non Executive Director - Not Independent); and
 - (iii) David Franks (Non Executive Director - Independent).

In relation to the above, all are non-executive directors, with an independent Chairman and the majority of whom are independent.

- (2) For the period 18 January 2021 until 30 June 2021
 - (i) Mark Jobling (Chairman)
(Non Executive Director - Not Independent);
 - (ii) Bruce Hatchman
(Non Executive Director - Independent); and
 - (iii) Martin Green (Non Executive Director - Independent).

In relation to the above, all are non-executive directors, the majority of members are independent however the Chairman is not independent.

On this basis, the Nomination and Remuneration Committee is in compliance with the ASX Corporate Governance Principles and Recommendations until 17 January 2021, and partially compliant from 18 January 2021.

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 current remuneration structure for the directors is as follows:

- (i) Chairman: \$90,000 including superannuation per annum;
- (ii) Resident non-executive directors: \$65,700 including compulsory superannuation per annum;
- (iii) Non-resident non-executive directors: \$60,000 including superannuation per annum;
- (iv) Chair of the Audit Committee: \$10,000 including compulsory superannuation per annum.

The remuneration of non-executive directors for the year ended 30 June 2021 and comparative year is detailed in Section 4, Table 1 of the Remuneration report.

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

Executive remuneration

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

Fixed components

(i) Base salary and benefits, including superannuation.

Variable 'at-risk' components

(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).

(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.

With the uncertainty associated with the impacts of the COVID-19 pandemic on the Company's performance and position, the decision was made in June 2020 for Executive pay to be frozen for the year ended 30 June 2021.

(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, with the uncertainty associated with the impacts of the COVID-19 pandemic on the Company's performance and position, the decision was made in June 2020 for the Executive teams entitlement to bonuses for the years ended 30 June 2020 and 30 June 2021 to be waived.

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

Executives	FY2021 STI Potential (*) (**)	FY2020 STI Potential (*) (**)
Stephen Canning	0%	32%
James Aulsebrook	0%	27%
Kate Massey (***)	24%	55%
Katrina Doring	0%	29%
Peter Choo	0%	29%
Arthur Fernandez	0%	27%
James Butler	0%	Not applicable

(*) 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 2021, 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 2020 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.

The FY2022 KPI targets for the Short-term incentive plan were determined by the Board based on Key Result Areas (KRAs) which the Board believes will affect the performance of JCurve Solutions during the financial year. The KRA for the year ended 30 June 2022 is a total revenue metric. The metric is determined with reference to JCurve Solutions strategic goals and objectives and is measured based on the audited statutory financial results. This short-term incentive scheme takes the form of a cash bonus payable once the results for the year have been determined.

(iii) Long-term incentive

The long-term equity incentive plan implemented in FY2021 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 and reapproved on 19 November 2019. On 16 March 2021 performance rights totalling 4,100,000 performance rights were issued to 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 2022, 30 June 2022 and 31 January 2023.

The 4,100,000 of the performance rights issued were to Executive team members as follows:

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

	Vesting Date – 31 January 2022	Vesting Date – 30 June 2022	Vesting Date – 31 January 2023
Executives			
Stephen Canning	Nil	1,000,000	Nil
James Aulsebrook	Nil	600,000	Nil
Katrina Doring	Nil	500,000	Nil
Arthur Fernandez	Nil	500,000	Nil
James Butler	500,000	500,000	500,000

As at 30 June 2021, the remaining performance rights issued to Executive team members from the tranches issued on 7 February 2020 are as follows:

	Vesting Date – 31 January 2022	Vesting Date – 31 January 2023
Executives		
Stephen Canning	1,000,000	1,000,000
James Aulsebrook	600,000	600,000
Katrina Doring	500,000	500,000
Arthur Fernandez	500,000	500,000

4) Remuneration of key management personnel

Table 1: Key Management Personnel remuneration for the year ended 30 June 2021: Directors

Directors		Short-term employee benefits			Post-employment	Equity	Total	Performance Related %
		Director's Fees \$	Bonuses / Commission \$	Other short-term benefits \$	Superannuation \$	Shares \$	Total \$	
Mark Jobling (1) Chairman/Director (non-executive)	2021	72,500	-	-	-	-	72,500	-
	2020	60,000	-	-	-	-	60,000	-
Bruce Hatchman (2) Chairman/Director (non-executive)	2021	69,577	-	-	18,925	-	88,502	-
	2020	84,646	-	-	13,000	-	97,646	-
David Franks (3) Director (non-executive)	2021	35,000	-	-	3,325	-	38,325	-
	2020	60,000	-	-	5,700	-	65,700	-
Graham Baillie Director (non-executive)	2021	60,000	-	-	5,700	-	65,700	-
	2020	50,968	-	-	4,842	-	55,810	-
Martin Green (4) Director (non-executive)	2021	30,000	-	-	-	-	30,000	-
	2020	-	-	-	-	-	-	-
Total Directors' Fees	2021	267,077	-	-	27,950	-	295,027	-
Total Directors' Fees	2020	55,614	-	-	23,542	-	279,156	-

(1) Mark Jobling Chairman from 18 January 2021 and remains in this position as at the date of this report.

(2) Bruce Hatchman Chairman from 1 July 2020 to 17 January 2021. Remains a non-executive director as at the date of this report.

(3) Resigned effective 18 January 2021.

(4) Appointed effective 18 January 2021.

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

Table 2: Key Management Personnel remuneration for the year ended 30 June 2021: Executives

Executives		Short-term employee benefits			Long-term	Post-employment	Other	Equity	Total	
		Salary	Bonuses / Commission (7)	Other short-term benefits (5)	Long service leave (6)	Superannuation or CPF	Other (8)	Shares/ Performance Rights	Total	Performance Related %
		\$	\$	\$	\$	\$	\$	\$	\$	%
Stephen Canning	2021	329,943	-	26,972	-	132	-	6,431	363,478	2%
Chief Executive Officer	2020	333,453	50,768	17,195	(2,765)	2,643	-	3,433	404,727	13%
James Aulsebrook	2021	186,000	-	12,182	6,230	17,670	-	3,858	225,940	2%
Chief Financial Officer	2020	186,000	19,375	6,926	1,319	19,511	-	1,553	234,684	9%
Kate Massey (1)	2021	31,859	4,935	3,216	(4,258)	6,842	45,224	(767)	87,051	5%
Chief Marketing Officer	2020	175,000	25,428	6,687	6,709	19,041	-	1,400	234,265	11%
Katrina Doring	2021	182,500	-	8,807	1,577	17,337	-	3,215	213,436	1%
Chief Operating Officer	2020	175,000	10,000	11,983	993	17,575	-	1,400	216,951	5%
Peter Choo (2)	2021	99,615	-	(941)	(3,141)	9,463	-	(767)	104,229	-1%
Product Strategy Director	2020	175,000	19,375	5,016	1,287	18,466	-	1,189	220,333	9%
Arthur Fernandez (3)	2021	181,171	-	14,982	-	12,119	-	3,215	211,487	2%
GM JCS Asia and GM Riyo	2020	199,246	3,015	(5,575)	-	13,328	-	767	210,781	2%
James Butler (4)	2021	55,565	-	5,315	-	4,040	-	3,234	68,154	5%
Chief Marketing Officer	2020	-	-	-	-	-	-	-	-	-
Total Executive Rem.	2021	1,066,653	4,935	70,533	408	67,603	45,224	18,419	1,273,775	2%
Total Executive Rem.	2020	1,243,699	127,961	42,232	7,543	90,564	-	9,742	1,521,741	9%

(1) Resigned effective 4 September 2020.

(2) Resigned effective 26 January 2021.

(3) Appointed General Manager of Riyo – 1 October 2020. Change of Job Title from 1 July 2021 to Chief Growth Officer.

(4) Appointed as a Key Management Personal (KMP) effective 8 March 2021.

(5) Other short-term benefits include car parking expenses for Stephen Canning, Kate Massey, Katrina Doring, Peter Choo as well as annual leave accrued for each Executive Team Member as per Corporations Regulation 2M.3.03(1) Item 6.

(6) Other long-term benefits as per Corporations Regulation 2M.3.03(1) Item 8.

(7) The bonuses or commissions included in the above table are those which have been paid during the particular financial year.

(8) Other benefits include termination benefits paid to Kate Massey.

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.

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

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\$327,000	6 months base salary
James Aulsebrook	Chief Financial Officer	Commenced 18 April 2016 on a rolling contract	\$200,000	3 months base salary
Katrina Doring	Chief Operating Officer	Commenced 5 July 2016 on a rolling contract	\$195,000	3 months and 1 week base salary
Arthur Fernandez	Chief Growth Officer	Commenced 18 December 2018 on a rolling contract	S\$195,000	3 months base salary
James Butler (**)	Chief Marketing Officer	Commenced 8 March 2021 on a rolling contract	S\$180,000	3 months base salary

(*) Current base salaries excluding superannuation are quoted for the year commencing 1 July 2021 unless otherwise noted below. They are reviewed annually by the Remuneration Committee. There was a pay freeze for the year ended 30 June 2021 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 2021 and 30 June 2020.

(**) Base salary increase to S\$189,000 from 8 September 2021.

(***) 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:

	2021 \$	2020 \$	2019 \$	2018 \$	2017 \$
Total profit/(loss) for the year	152,255	(298,804)	338,114	847,267	454,286
Normalised EBITDA	1,234,954	670,501	852,589	979,931	801,920
Share price at year end (\$)	0.058	0.036	0.034	0.031	0.011
Increase/(decrease) in share price	61%	6%	10%	282%	83%
Dividends paid	-	-	-	-	-

The remuneration of JCurve Solutions Executives outlined in Table 2 has consisted primarily of salaries and superannuation. Performance related remuneration was 2% 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 2020 Annual General Meeting

The 2020 JCurve Solutions Remuneration Report resolution was carried by a poll, with the results of 89.70% in favour and therefore in excess of 75% in favour of the resolution. Comments raised by shareholders during the course of the Annual General Meeting were responded to by the Directors during the meeting.

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.

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

7) Details of share-based compensation (continued)

Table 1: Performance rights issued to members of the Executive Management Team under the JCurve Solutions Equity Incentive Plan on 16 March 2021

	Vesting Date – 31 January 2022	Vesting Date – 30 June 2022	Vesting Date – 31 January 2023
Executives			
Stephen Canning	Nil	1,000,000	Nil
James Aulsebrook	Nil	600,000	Nil
Katrina Doring	Nil	500,000	Nil
Arthur Fernandez	Nil	500,000	Nil
James Butler	500,000	500,000	500,000

Table 2: Performance rights issued to members of the Executive Management Team under the JCurve Solutions Equity Incentive Plan on 7 February 2020

	Vesting Date – 31 January 2022	Vesting Date – 30 June 2022	Vesting Date – 31 January 2023
Executives			
Stephen Canning	1,000,000	1,000,000	1,000,000
James Aulsebrook	600,000	600,000	600,000
Kate Massey	500,000	500,000	500,000
Katrina Doring	500,000	500,000	500,000
Peter Choo	500,000	500,000	500,000
Arthur Fernandez	500,000	500,000	500,000

Table 3: Performance rights issued to members of the Executive Management Team under the JCurve Solutions Equity Incentive Plan on 7 February 2020 which expired during the year

	Vesting Date – 31 January 2022	Vesting Date – 30 June 2022	Vesting Date – 31 January 2023
Executives			
Stephen Canning	1,000,000	Nil	Nil
James Aulsebrook	600,000	Nil	Nil
Kate Massey (1)	500,000	500,000	500,000
Katrina Doring	500,000	Nil	Nil
Peter Choo (2)	500,000	500,000	500,000
Arthur Fernandez	500,000	Nil	Nil

Table 4: Performance rights issued which formed part of remuneration during the year ended 30 June 2021: 2021 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	13,741	-	13,741	3,093	0.9%
James Aulsebrook	8,245	-	8,245	1,856	0.8%
Katrina Doring	6,871	-	6,871	1,546	0.7%
Arthur Fernandez	6,871	-	6,871	3,234	0.7%
James Butler	14,498	-	14,498	1,546	4.8%

(1) Forfeited 4 September 2020 as the performance condition accompanying the performance rights was not met.

(2) Forfeited 26 January 2021 as the performance condition accompanying the performance rights was not met.

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

7) Details of share-based compensation (continued)

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

- (1) Tranche one: \$0.0058 per performance right;
- (2) Tranche two: \$0.0137 per performance right
- (3) Tranche three: \$0.0095 per performance right

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

Table 5: Performance rights issued which formed part of remuneration during the year ended 30 June 2021: 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	7,625	-	7,625	3,338	0.9%
James Aulsebrook	4,575	-	4,575	2,003	0.9%
Kate Massey	3,812	-	3,812	(776)	-0.1%
Katrina Doring	3,812	-	3,812	1,669	0.7%
Peter Choo	3,812	-	3,812	(776)	-0.1%
Arthur Fernandez	3,812	-	3,812	1,669	0.8%

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.

Table 6: 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	7,625	-	7,625	1,533	0.4%
James Aulsebrook	4,575	-	4,575	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%

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

Table 7: 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%

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

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

8) Shareholdings of Key Management Personnel

Ordinary shares held in JCurve Solutions Limited (number)

30 June 2021	Balance 01 Jul 20	Granted as remuneration	Bought back under employee share plan	Net Change Other	Balance 30 Jun 21
Directors					
Bruce Hatchman	3,500,000	-	-	-	3,500,000
Mark Jobling (1)	51,204,301	-	-	(500,000)	50,704,301
Graham Baillie	83,124,215	-	-	-	83,124,215
Martin Green	-	-	-	-	-
David Franks (2)	4,206,174	-	-	(4,206,174)	-
Executives					
Stephen Canning	3,233,418	-	-	-	3,233,418
James Aulsebrook	-	-	-	-	-
Katrina Doring	1,975,534	-	-	-	1,975,534
Arthur Fernandez	600,000	-	-	800,000	1,400,000
James Butler	-	-	-	-	-
Total	147,843,642	-	-	(3,906,174)	143,937,468
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 (3)	-	-	-	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

(1) The 500,000 net change in shares for Mark Jobling was an allocation from the settlement of the Estate of Ian Jobling.

(2) David Franks resigned as a Non Executive Director on 18 January 2021. The 4,206,174 shares outlined as a net change other is reflective of David Franks no longer being a Director of the Company.

(3) 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.

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.

DIRECTORS' REPORT (continued)

Remuneration report (Audited) (continued)

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

Automic

Company secretarial services (1)	26,200	54,201
Directors Fees (included in Table 1 and including Superannuation)	38,325	65,700
Share registry fees	4,153	7,091
	68,678	126,992

	2021 \$	2020 \$
	26,200	54,201
	38,325	65,700
	4,153	7,091
	68,678	126,992

(1) Company secretarial service fees, director fees and share registry fees for the period while David Franks was a Director (1 July 2020 to 18 January 2021) amounted to \$68,678 net of GST excluding out of pocket expenses (2020: \$126,992) 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.

Sales to Related Parties

Tomorrow Entertainment (1)

Customer purchases

	2021 \$	2020 \$
	-	35,419
	-	35,419

(1) Tomorrow Entertainment Holdings Pte Ltd (Tomorrow Entertainment), a Company which Mark Jobling is a Director, was a customer of the Group until 27 July 2020. The Group did not invoice Tomorrow Entertainment in the year ended 30 June 2021 (2020: \$35,419 invoiced during the year ended 30 June 2020). 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.



Mark Jobling
Chairman
24 August 2021

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 2021, 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

24 August 2021

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

		Consolidated (\$)	
	Notes	2021	2020
Revenue	3	10,635,680	11,213,413
Cost of goods sold		(1,561,183)	(1,707,326)
Gross profit		9,074,497	9,506,087
Other income	3	339,805	385,907
Employee benefits expenses		(5,466,726)	(6,220,837)
Other employee related expenses	4	(484,945)	(558,685)
IT and communications expenses		(490,450)	(524,792)
Advertising and marketing expenses		(96,039)	(56,849)
Professional fees	4	(1,169,462)	(933,900)
Occupancy expenses		(111,407)	(85,342)
Travel expenses		(12,078)	(165,405)
Depreciation and amortisation expenses	4	(864,271)	(817,201)
Bad debt expenses		(1,182)	(193,888)
Finance income/(expense)		(81,997)	(44,349)
Due diligence costs		(27,840)	(54,604)
Other expenses		(312,259)	(381,361)
Profit/(loss) before income tax		295,646	(145,219)
Income tax expense	5	(143,391)	(153,585)
Profit/(loss) for the year		152,255	(298,804)
Other comprehensive income (exchange differences on translation of foreign operations)		(53,812)	(2,806)
Total comprehensive profit/(loss) for the year		98,443	(301,610)
Basic earnings per share (cents per share)	6	0.05	(0.09)
Diluted earnings per share (cents per share)	6	0.05	(0.09)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Notes	Consolidated (\$)	
		2021	2020
Assets			
Current Assets			
Cash and cash equivalents	7	5,101,831	4,152,349
Trade and other receivables	8	1,930,098	2,265,193
Other financial assets	10	26,760	10,460
Other current assets	9	909,717	866,441
Total Current Assets		7,968,406	7,294,443
Non-Current Assets			
Property, plant and equipment	11	133,942	38,988
Intangible assets	12	3,057,735	3,129,266
Right-of-use assets	13	1,719,227	1,977,341
Deferred tax asset	5	1,568,848	1,510,368
Total Non-Current Assets		6,479,752	6,655,963
Total Assets		14,448,158	13,950,406
Liabilities			
Current Liabilities			
Trade and other payables	14	2,318,443	2,245,754
Unearned income	15	2,682,868	2,076,493
Current tax liability		502,422	270,383
Lease liabilities	16	524,391	468,913
Provisions	17	445,877	437,219
Total Current Liabilities		6,474,001	5,498,762
Non-Current Liabilities			
Unearned income	15	136,027	220,443
Deferred tax liabilities	5	1,373,385	1,646,765
Lease liabilities	16	1,253,181	1,533,509
Provisions	17	137,138	91,443
Total Non-Current Liabilities		2,899,731	3,492,160
Total Liabilities		9,373,732	8,990,922
Net Assets		5,074,426	4,959,484
Equity			
Share capital	18	17,586,326	17,588,248
Reserves	19	1,689,266	1,825,051
Accumulated losses		(14,201,166)	(14,453,815)
Total Equity		5,074,426	4,959,484

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

		Consolidated (\$) Inflows / (Outflows)	
	Notes	2021	2020
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		12,992,900	12,806,601
Payments to suppliers and employees (inclusive of GST)		(10,866,805)	(12,489,748)
Interest received		5,390	7,051
Interest (paid)/refunded		(4,137)	(3,413)
Income tax received/(paid)		(279,826)	(39,914)
Net cash provided by operating activities	7	1,847,522	280,577
Cash flows used in investing activities			
Payments for property, plant and equipment		(92,697)	(28,339)
Cash paid for the purchase of the Creative Quest business and assets		(243,969)	-
Cash paid for the purchase of the Spectrum business and assets		-	(352,383)
Net cash used in investing activities		(336,666)	(380,722)
Cash flows used in financing activities			
Repayment of principal of leases		(552,231)	(512,845)
Net cash used in investing activities		(552,231)	(512,845)
Net increase/(decrease) in cash and cash equivalents		958,625	(612,990)
Cash and cash equivalents at 1 July		4,152,349	4,765,339
Effects of exchange rate changes on cash and cash equivalents		(9,143)	-
Cash and cash equivalents at 30 June	7	5,101,831	4,152,349

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated (\$)			
	Share Capital	Accumulated Losses	Equity Benefits Reserve	Total
As at 1 July 2019	17,588,248	(14,155,011)	1,818,117	5,251,354
Loss after tax for the year	-	(298,804)	-	(298,804)
Other comprehensive income (exchange differences on translation of foreign operations)	-	-	(2,806)	(2,806)
	-	(298,804)	(2,806)	(301,610)
Transactions with owners in their capacity as owners:				
Issued rights under employee incentive scheme	-	-	9,741	9,741
	-	-	9,741	9,741
Balance at 30 June 2020	17,588,248	(14,453,815)	1,825,051	4,959,484
As at 1 July 2020	17,588,248	(14,453,815)	1,825,051	4,959,484
Total comprehensive profit for the year	-	152,255	-	152,255
Other comprehensive income (exchange differences on translation of foreign operations)	-	-	(53,812)	(53,812)
	-	152,255	(53,812)	98,443
Transactions with owners in their capacity as owners:				
Shares issued	(1,922)	-	-	(1,922)
Issued rights under employee incentive scheme	-	-	18,421	18,421
Reclassification of expired options and performance rights	-	100,394	(100,394)	-
	(1,922)	100,394	(81,973)	16,499
Balance at 30 June 2021	17,586,326	(14,201,166)	1,689,266	5,074,426

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

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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 expansion of territories into the Philippines for the sale of Enterprise Resource Planning (ERP) solutions;
- 2) Further development of the Riyo Service Management Platform and building up a recurring customer base;
- 3) The purchase of Creative Quest to provide digital marketing capabilities.

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 2021, considered the business from a product perspective and identified five reportable segments:

- ERP – AU: ERP cloud-based Business Management solutions and associated consulting services sold to Australian and New Zealand customers;
- 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;
- Riyo – The development and sale of service management and scheduling software; and
- Creative Quest – Providing digital marketing services

The group/head office is a cost centre 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 recognized revenue in FY2021.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 2: SEGMENT REPORTING (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 2021 (including the comparative period) is as follows:

	ERP - AU	TEMS	Riyo (*)	ERP - Asia	Creative Quest	Unallocated	Total
Year ended 30 June 2021							
Total revenue	7,743,183	1,629,449	153,940	1,002,403	106,705	-	10,635,680
Total cost of sales	(1,226,511)	-	(5,161)	(245,731)	(83,780)	-	(1,561,183)
Gross profit	6,516,672	1,629,449	148,779	756,672	22,925	-	9,074,497
Other income	-	311,259	1,402	201	-	26,943	339,805
Total expenditure excluding cost of sales	(4,168,468)	(869,676)	(1,087,798)	(1,188,632)	(22,029)	(1,782,053)	(9,118,656)
Total profit/(loss) before tax	2,348,204	1,071,032	(937,617)	(431,759)	896	(1,755,110)	295,646
Year ended 30 June 2020							
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)	(1,664,566)	(145,219)

(*) All costs associated with the Riyo development of the platform and solution have been expensed with a small portion eligible research and development, with research and development incentive income recognised for the year ended 30 June 2020.

NOTE 3: REVENUE AND OTHER INCOME

Revenue (*)

Enterprise Resource Planning (ERP) solutions – JCurve ERP and NetSuite (Australasia)	
Enterprise Resource Planning (ERP) solutions – NetSuite (South East Asia)	
Enterprise Resource Planning (ERP) solutions – MYOB Advanced	
Telecommunications expense management solutions	
Riyo solutions	
Digital marketing services	

Other Income

Research and Development incentive	
JobKeeper subsidy	
Interest income	
Sundry Income	

Consolidated (\$)

	2021	2020
Enterprise Resource Planning (ERP) solutions – JCurve ERP and NetSuite (Australasia)	7,743,183	8,015,698
Enterprise Resource Planning (ERP) solutions – NetSuite (South East Asia)	1,002,403	1,003,292
Enterprise Resource Planning (ERP) solutions – MYOB Advanced	-	54,755
Telecommunications expense management solutions	1,629,449	2,064,551
Riyo solutions	153,940	75,117
Digital marketing services	106,705	-
Total Revenue	10,635,680	11,213,413
Research and Development incentive	-	104,589
JobKeeper subsidy	304,500	273,000
Interest income	6,960	8,062
Sundry Income	28,345	256
Total Other Income	339,805	385,907

(*) Reflects revenue in accordance with AASB 15.

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;
- The performance obligation for the implemented Riyo software is satisfied when the Riyo software has been installed and is operating materially as contractually required; and
- The performance obligation for providing digital marketing services is satisfied as the services are delivered over the contracted period.

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. A separate performance obligation exists when a customer has purchased business consulting or initial process design advice in the form of a business requirements document.

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 business consulting is when the advice is delivered.

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.

The performance obligation for providing digital marketing services is satisfied as the services are delivered.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 4: EXPENSES

Consolidated (\$)

	2021	2020
Other employee related expense – superannuation	315,055	437,978
Other employee related expense – excluding superannuation	169,890	120,707
	484,945	558,685
Depreciation of plant and equipment	51,278	42,850
Depreciation of right of use asset	532,851	500,247
Amortisation of intangibles	280,142	274,104
	864,271	817,201
Directors' Fees (includes superannuation)	295,027	279,156
Consultancy Fees	723,659	507,279
Audit Fees	92,263	87,579
Company Secretarial Fees (includes fees paid to non-related parties overseas)	58,513	59,886
	1,169,462	933,900

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 (\$)

Income tax recognised in profit or loss

The major components of tax benefit/(expense) are:

Current tax benefit/(expense) (i)	
Origination and reversal of temporary differences	
Under/(over) provision from prior years - current tax	
Total tax benefit/(expense) (i)	

(529,197)	(374,969)
331,860	224,278
53,946	(2,894)
(143,391)	(153,585)

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	
Income tax expense calculated at 26% (2020: 27.5%)	
Tax effect of amounts which are not taxable/(deductible) in calculating taxable income:	
Permanent differences	
Temporary differences	
Adjustments for current tax of prior periods	

295,646	(145,219)
(76,868)	39,935
(12,027)	(3,339)
(8,696)	(17,936)
-	-
(20,723)	(21,275)

Research and development incentive	
Differences in overseas tax rates	
Tax losses not recognised	
Carried forward capital losses previously not brought to account now recognised and realised on the sale of capital assets	
Carried forward tax losses previously not brought to account now recognised	
Reduction in net deferred tax liabilities due to change in company income tax rate (to 26% from 1 July 2020)	
Under/(over) provision in prior years	
Income tax benefit/(expense) reported in the Statement of Profit or Loss and other Comprehensive Income	

-	(37,357)
(88,684)	(90,361)
(5,036)	-
-	(125,556)
25,633	60,483
10,705	23,440
11,582	(2,894)
(143,391)	(153,585)

Deferred Taxes (Non-Current)

Analysis of deferred tax assets:	
Deductible temporary differences available to offset against future taxable income	
Deferred expenditure	
Lease liabilities	
Accruals and provisions	
Tax losses available to offset against future taxable income	

Analysis of deferred tax liabilities:

Plant and equipment	
Deferred license revenue	
Right-of-use asset	
Other	
Net Deferred Tax Asset/(Liability)	

Consolidated (\$)

2021 2020

200,974	286,054
444,393	520,630
327,266	430,585
596,215	273,099
1,568,848	1,510,368

15,532	4,238
787,428	1,015,297
429,807	514,109
140,618	113,121
1,373,385	1,646,765
(195,463)	(136,397)

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 5: INCOME TAX (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) 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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 5: INCOME TAX (continued)

(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 \$413,556 (2020: \$386,351 unrecognised). The deductible temporary differences and tax losses do not expire under current legislation. Deferred tax assets totaling \$103,389 (2020: \$106,247) 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.

There are no unrecognised deferred tax liabilities.

(4) Tax Consolidation

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.

JCurve Solutions Asia Pte Ltd is a tax resident entity of Singapore and current and deferred tax amounts are accounted for the company based on JCurve Solutions Asia Pte Ltd as a taxpayer on its own in Singapore.

JCurve Solutions Philippines Inc. is a tax resident entity of the Philippines and current and deferred tax amounts are accounted for the company based on JCurve Solutions Philippines Inc. as a taxpayer on its own in the Philippines.

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) and 5 (4).

The Australian 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

Earnings used for calculation of basic and diluted earnings per share
 Profit/(loss) from operations - basic earnings per share
 Profit/(loss) from operations - diluted earnings per share

Weighted average number of shares used for calculation of basic and diluted EPS
 Weighted average number of shares

Earnings used for calculation of basic and diluted earnings per share
 Basic earnings per share (cents per share)
 Diluted earnings per share (cents per share)

Consolidated

	2021 \$	2020 \$
	152,255	(298,804)
	152,255	(298,804)
	Number	Number
	328,094,174	327,856,900
	Cents per share	Cents per share
	0.05	(0.09)
	0.05	(0.09)

(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 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

Cash at bank and on hand

Consolidated (\$)

	2021	2020
	5,101,831	4,152,349
	5,101,831	4,152,349

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 2021, the Group has no committed borrowing facilities (2020: Nil).

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 7: CASH AND CASH EQUIVALENTS (continued)

Consolidated (\$)

Reconciliation of profit/ (loss) for the year after tax to net cash flows from operating activities

	2021	2020
Profit/(loss) for the year	152,255	(298,804)
Non-cash flows in operating profit:		
Depreciation and amortisation from continuing operations	864,271	817,201
Equity settled share based payment	18,421	9,741
(Increase)/decrease in assets:		
Trade and other receivables	335,096	124,191
Other current assets	(43,275)	59,200
Other financial assets	(16,300)	(7)
Current tax receivable/payable	232,040	233,362
Deferred tax assets	(58,480)	(792,975)
Increase/(decrease) in liabilities:		
Trade and other payables – Current	60,563	(631,705)
Unearned income	521,958	82,852
Provisions – Current	8,658	105,793
Provisions – Non-current	45,695	3,032
Deferred tax liabilities	(273,380)	568,696
Net cash provided by or from operating activities	1,847,522	280,577

(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 (\$)

Current:

Trade receivables (i)
Allowance for doubtful debts (2)
Accrued revenue/commissions receivable (ii)

2021	2020
1,135,335	1,347,273
(44,779)	(94,679)
839,542	1,012,599
1,930,098	2,265,193

- (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.
- (ii) The recognition of a contract asset and contract liability on a large ERP customer contract which remains in its implementation stage has been netted off in accordance with AASB 15. The impact from netting off the contract asset is a reduction in accrued revenue of \$368,533 and a reduction in unearned income of \$368,533.

(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 2021, trade receivables of the Group with a nominal value of \$44,779 (2020: \$94,679) were impaired. The allowance for doubtful debts was \$44,779 (2020: \$94,679). The movement in the allowance for doubtful debts is as follows:

Consolidated (\$)

At 1 July
Provision for impairment recognised during the year
Receivables written off during the year as uncollectable
Trade receivables provided for but collected

2021	2020
94,679	71,952
69,613	164,512
(39,599)	(128,405)
(79,914)	(13,380)
44,779	94,679

NOTE 9: OTHER CURRENT ASSETS

Consolidated (\$)

Prepayments
Term deposit
Deferred expenditure
Sundry debtors

2021	2020
599,179	437,640
217,835	217,276
70,729	81,284
21,974	130,241
909,717	866,441

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 10: OTHER FINANCIAL ASSETS

Consolidated (\$)

Security Deposits

2021	2020
26,760	10,460
26,760	10,460

NOTE 11: PLANT AND EQUIPMENT

Consolidated (\$)

Plant and equipment, at cost
Less accumulated depreciation
Net carrying amount

2021	2020
422,234	314,927
(316,265)	(278,975)
105,969	35,952

Leasehold improvements, at cost
Less accumulated depreciation
Net carrying amount

2,740	2,740
(2,740)	(2,728)
-	12

Make good assets, at cost
Less accumulated depreciation
Net carrying amount

55,462	16,299
(27,489)	(13,275)
27,973	3,024

Total net carrying amount

133,942 **38,988**

Consolidated (\$)

Reconciliations:

Movements:

Net carrying amounts as at 30 June 2019
Disposals
Additions
Foreign currency revaluation
Depreciation charges
Net carrying amounts as at 30 June 2020

Disposals
Additions
Foreign currency revaluation
Depreciation charges
Net carrying amounts as at 30 June 2021

	Plant & Equipment	Leasehold Improvements	Make Good Assets	Total
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
Disposals	-	-	-	-
Additions	110,506	-	39,163	149,669
Foreign currency revaluation	(3,438)	-	-	(3,438)
Depreciation charges	(37,051)	(12)	(14,214)	(51,277)
Net carrying amounts as at 30 June 2021	105,970	-	27,973	133,942

(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 – 4 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 de-recognised 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 de-recognised.

NOTE 12: INTANGIBLE ASSETS

Year ended 30 June 2020	Licences (i)	Riyo Platform	Goodwill	Customer relationships (ii)	NetSuite customer contracts	Pistachio connector	Total
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 impairment	2,302,857	350,000	245,563	77,973	72,873	80,000	3,129,266
Year ended 30 June 2021							
At 1 July 2020, net of accumulated amortisation and impairment	2,302,857	350,000	245,563	77,973	72,873	80,000	3,129,266
Additions (ii)	-	-	-	226,159	-	-	226,159
Amortisation	-	(120,000)	-	(71,109)	(66,990)	(20,000)	(278,099)
FX Revaluation	-	-	(13,359)	(2,263)	(3,969)	-	(19,591)
At 30 June 2021, net of accumulated amortisation and impairment	2,302,857	230,000	232,204	230,760	1,914	60,000	3,057,735

(i) License intangible asset

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) Purchase of Creative Quest

On 4 June 2021, JCurve Solutions Philippines Inc, a 100% owned subsidiary of JCurve Solutions Limited, purchased the whole of business and assets of Creative Quest Events and Marketing Services, a Philippines-registered company that provides digital marketing services. The purchase price was allocated to property, plant and equipment and customer relationships. The customer relationships intangible asset was assessed to have a useful life of 3 years, the period in which the intangible asset is being amortised on a straight-line basis.

Refer to Note 27 for further details on the acquisition.

(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 five 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 11.5% (2020: 17%). A long-term growth rate of 7.5% 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 2021 (2020: Nil).

The carrying value of the NetSuite License remains \$2,302,857. The carrying value of the 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 \$3,215,169 and if the discount rate applied was 10% lower the recoverable amount would increase by \$3,935,379. If the long-term growth rate projection applied was 10% lower than the amount forecast, the recoverable amount would decrease by \$1,688,882 and if the long-term growth rate projection applied was 10% higher the recoverable amount would increase by \$1,721,738.

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)

NOTE 12: INTANGIBLE ASSETS (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 12.5% (2020: 18%). A long-term growth rate of 20% has been assumed as has a terminal value. Based on these values in use calculations, there is no impairment for the year ended 30 June 2021 (2020: Nil).

The carrying value of the Goodwill balance reduced to \$234,398 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 \$1,136,720 and if the discount rate applied was 10% lower the recoverable amount would increase by \$1,395,273. If the long-term growth rate projection applied was 10% lower than the amount forecast, the recoverable amount would decrease by \$1,588,303 and if the long-term growth rate projection applied was 10% higher the recoverable amount would increase by \$1,663,830.

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 ASSETS

Consolidated (\$)

Buildings, at cost	
Less accumulated depreciation	
Net carrying amount	
Office equipment, at cost	
Less accumulated depreciation	
Net carrying amount	
Total net carrying amount	

2021	2020
2,648,414	2,430,876
(1,000,971)	(470,124)
1,647,443	1,960,752
88,981	46,712
(17,197)	(30,123)
71,784	16,589
1,719,227	1,977,341

Reconciliations:

Movements:

Net carrying amounts as at 1 July 2019	
Disposals	-
Additions	-
Depreciation charges	(470,124)
Net carrying amounts as at 30 June 2020	1,960,752
Net carrying amounts as at 1 July 2020	1,960,752
Disposals	-
Additions	217,538
Depreciation charges	(530,847)
Net carrying amounts as at 30 June 2021	1,647,443

Buildings	Office equipment	Total
2,430,876	46,712	2,477,588
-	-	-
-	-	-
(470,124)	(30,123)	(500,247)
1,960,752	16,589	1,977,341
1,960,752	16,589	1,977,341
-	-	-
217,538	64,929	282,467
(530,847)	(9,734)	(540,581)
1,647,443	71,784	1,719,227

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 13: RIGHT-OF-USE ASSETS (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 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 re-measurement 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

Current:

Trade payables (*)
Other payables
Accrued expenses

Consolidated (\$)

2021	2020
1,268,183	962,809
272,421	279,033
777,839	1,003,912
2,318,443	2,245,754

(*) 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

Current:

Enterprise Resource Planning (ERP) solutions
- JCurve ERP and NetSuite (Australasia) (1)
Enterprise Resource Planning (ERP) solutions
- NetSuite (South East Asia)
Telecommunications Expense Management solutions (TEMs)
Riyo solutions

Non-Current:

Enterprise Resource Planning (ERP) solutions
- JCurve ERP and NetSuite (Australasia)

Total Unearned Income

Consolidated (\$)

2021	2020
1,713,301	1,336,109
720,067	367,364
182,066	253,638
67,434	119,382
2,682,868	2,076,493
136,027	220,443
136,027	220,443
2,818,895	2,296,936

(i) The recognition of a contract asset and contract liability on a large ERP customer contract which remains in its implementation stage has been netted off in accordance with AASB 15. The impact from netting off the contract asset is a reduction in accrued revenue of \$368,533 and a reduction in unearned income of \$368,533.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 15: UNEARNED INCOME (continued)

(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.

NOTE 16: LEASE LIABILITIES

Current:

Lease liabilities

Non-Current:

Lease liabilities

Total Lease Liabilities

Consolidated (\$)

2021	2020
524,391	468,913
1,253,181	1,533,509
1,777,572	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 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.

NOTE 17: PROVISIONS

Current:

Annual leave

Long service leave

Non-current:

Long service leave

Make good provision

Total Provisions

Consolidated (\$)

2021	2020
425,480	347,235
20,397	89,984
445,877	437,219
60,564	64,350
76,574	27,093
137,138	91,443
583,015	528,662

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 17: PROVISIONS (continued)

(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.

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% (2020: 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 (\$)

Ordinary shares issued and fully paid (i)
Unissued shares

2021	2020
17,380,969	17,382,891
205,357	205,357
17,586,326	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

At 1 July 2019

Movement

At 30 June 2020

Movement

At 30 June 2021

Number	\$
327,856,900	17,382,891
-	-
327,856,900	17,382,891
486,539	(1,922)
328,343,439	17,380,969

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 19: RESERVES

Equity Benefits Reserve

Balance at the start of the year
Shares cancelled under Employee Share Plan
Reclassification of expired options and performance rights
Issued rights under Employee Incentive Scheme
Balance at the end of the year

Consolidated (\$)

2021	2020
1,828,928	1,819,187
-	-
(100,394)	-
18,421	9,741
1,746,955	1,828,928

Foreign Currency Translation Reserve

Balance at the start of the year
Currency translation differences arising during the year
Balance at the end of the year
Total Reserves

Consolidated (\$)

2021	2020
(3,877)	(1,070)
(53,812)	(2,807)
(57,689)	(3,877)
1,689,266	1,825,051

(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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

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.

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 adjusts 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

Financial assets

Cash and cash equivalents
Receivables
Other current assets
Other financial assets

Financial liabilities

Payables
Lease liabilities

Consolidated	
2021	2020
5,101,831	4,152,349
1,930,098	2,265,193
217,835	217,276
26,760	10,460
2,318,443	2,245,754
1,777,572	2,002,422

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 2021 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)

NOTE 21: FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (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 2021				
<i>Financial assets</i>				
<i>Non-interest bearing:</i>				
Trade and other receivables	1,930,098	-	1,930,098	
Other Current Assets	691,882	-	691,882	
	2,621,980	-	2,621,980	
<i>Floating rate:</i>				
Cash Assets	5,101,831	-	5,101,831	0.08%
Other Current Assets	217,835	-	217,835	0.95%
	5,319,666	-	5,319,666	
	7,941,646	-	7,941,646	
<i>Financial liabilities</i>				
Payables	2,318,443	-	2,318,443	
Lease Liabilities	524,391	1,253,181	1,777,572	
	2,842,834	1,253,181	4,096,015	
Year ended 30 June 2020				
<i>Financial assets</i>				
<i>Non-interest bearing:</i>				
Trade and other receivables	2,265,193	-	2,265,193	
Other Current Assets	649,165	-	649,165	
	2,914,358	-	2,914,358	
<i>Floating rate:</i>				
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	
<i>Financial liabilities</i>				
Payables	2,245,754	-	2,245,754	
Lease Liabilities	468,913	1,533,509	2,002,422	
	2,714,667	1,533,509	4,248,176	

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)

NOTE 21: FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (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 \$26,585 and decrease by \$4,942 respectively (2020: increase by \$21,847 and decrease by \$5,657). 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

The Group is exposed to foreign currency risk from movements in the Australian dollar relative to the Singapore and US Dollar's as well as the 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 Philippine 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	2021	2020
Cash and cash equivalents	255,486	126,690
Trade and other receivables	591,239	398,267
Other financial assets	27,064	10,460
Other current assets	76,009	115,744
Total Current Assets	949,798	651,161
Property, plant and equipment	76,028	18,318
Intangible assets	488,270	396,408
Total Non-Current Assets	564,298	414,726
Total Assets	1,514,096	1,065,887
Trade and other payables	565,380	445,907
Unearned income	626,734	422,474
Provisions - current	155,590	93,743
Total current liabilities	1,347,704	962,124
Total Liabilities	1,347,704	962,124
Net Assets	166,392	103,763

For the year ended 30 June 2021, 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 \$78,945 and increase by \$64,592 respectively (2020: decrease by \$53,851 and increase by \$44,060).

For the year ended 30 June 2021, 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 \$104,163 and increase by \$85,224 respectively (2020: decrease by \$65,819 and increase by \$53,852).

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 21: FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (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, credit-worthy 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 2021, the ageing analysis of trade receivables is as follows:

	Consolidated Total \$	0-30 days \$	0-30 days CI* \$	31-60 days \$	31-60 days CI* \$	61-90 days PDNI* \$	61-90 days CI* \$	+91 days PDNI* \$	+91 days CI* \$
2021	1,135,335	700,975	-	167,506	-	69,138	-	197,716	-
2020	1,347,273	730,398	-	195,426	-	139,337	-	238,867	43,244

PDNI - Past due not impaired

CI - Considered impaired

The receivables which are past due but not considered impaired was \$266,854 (2020: \$378,205).

The provision for doubtful debts as at 30 June 2021 is \$44,779 (2020: \$94,679).

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 impact 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, the following events have occurred which have impacted the operations of the Group:

(1) Acquisition of the Thailand assets of Rapid E-Suite Pte Ltd

On the 9th of July 2021, the Group completed the acquisition of the Thailand business assets of Rapid E-Suite Pte Ltd, an Oracle NetSuite Member Status Solution Provider with existing 20 customers and which for the year ended 30 April 2021, generated A\$0.6m of revenue and an EBITDA of A\$0.1m from its Thailand operations. The purchase price for the acquisition was S\$250,000 cash paid on completion, S\$50,000 cash payable on reaching an agreed non-sales milestone by 9 October 2021 and a further cash earnout component capped at S\$500,000 dependent on the sales level for the Thailand operations in the 12 months immediately post-completion of the acquisition.

(2) Lockdowns in key operating locations

Lockdown restrictions first announced on the 25th of June 2021 in New South Wales have been extended until the end of September 2021. Our office in Chatswood remains closed and the Group continues to operate under its business continuity plan in all locations which includes all employees working from home. Shorter lockdowns have been announced in Queensland and Victoria, Singapore and the Philippines.

With the exception of the acquisition of the Thailand assets of Rapid E-Suite and the lockdowns outlined above, no other matters or circumstances have arisen since 30 June 2021 that significantly affect, or may significantly affect:

- (i) the Group's operations in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) 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

Lease commitments are outlined in Note 16.

NOTES TO THE FINANCIAL STATEMENTS (continued)

(i) Accounting policy - Leases

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 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: (a) future lease payments arising from a change in an index or a rate used; (b) residual guarantee; (c) lease term; (d) certainty of a purchase option; and (e) 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.

NOTE 25: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(1) Basis of Preparation

The financial report is a general-purpose 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) Changes in accounting policies from new accounting standards and interpretations

The Directors have reviewed all of the new and revised accounting standards and interpretations issued by the Australian Accounting Standards Board (AASB) for annual reporting periods beginning or after 1 July 2020. It has been determined that none of the new accounting standards and interpretations adopted have a material impact on the Group's financial performance, position or disclosure.

(4) Statement of Compliance

The financial report was authorised for issue on 24 August 2021.

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).

NOTES TO THE FINANCIAL STATEMENTS (continued)

(5) 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.

NOTE 26: SHARE-BASED PAYMENT PLANS

(i) Shares issued under Equity Incentive Plan

Performance Rights issued during the year ended 30 June 2020

On 7 February 2020, 10,800,000 performance rights (valued at \$27,449) were issued to employees under the equity incentive plan that was approved by shareholders at the Annual General Meeting held on 19 November 2019. 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.

The Performance Rights under this plan have both a performance and service condition before converting into shares.

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

During the year ended 30 June 2021, 3,000,000 performance rights (valued at \$7,625) were cancelled under the plan when the performance condition associated with the performance rights were not met.

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

Performance Rights issued during the year ended 30 June 2021

On 16 March 2021, 4,100,000 performance rights (valued at \$50,226) were issued to employees under the equity incentive plan that was approved by shareholders at the Annual General Meeting held on 19 November 2019. 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: 500,000 performance rights vests of 31 January 2022;
- (2) Tranche two: 3,100,000 performance rights vests of 30 June 2022; and
- (3) Tranche three: 500,000 performance rights vests of 31 January 2023.

The Performance Rights under this plan have both a performance and service condition before converting into shares.

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.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 27: BUSINESS COMBINATIONS

Acquisition of the business and assets of Creative Quest

On 4 June 2021, JCurve Solutions Philippines Inc., a 100%-owned subsidiary of the Group purchased the business assets of Creative Quest Events and Marketing Services (Creative Quest), a full-service digital marketing agency domiciled in the Philippines.

The purchase price of PHP9,000,000 (A\$243,969) was paid on completion (4 June 2021). There are annual vendor incentives in place for a period of three years for the owner of Creative Quest. The annual vendor incentives are contingent on the owner remaining an employee of JCurve Solutions at the anniversary date of completion of the acquisition.

Acquisition-related costs of PHP117,500 (A\$3,185) were included in due diligence costs in the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021.

The fair values of the identifiable assets acquired as part of the acquisition are as follows:

Property, plant and equipment

Customer relationships

Fair value of identifiable net assets

Goodwill arising on acquisition

Consideration

Fair value at acquisition date (PHP)	Fair value at acquisition date (A\$)
656,989	17,810
8,343,011	226,159
9,000,000	243,969
-	-
9,000,000	243,969

No liabilities were assumed as at the date of the acquisition.

Net cash outflow arising on acquisition

The cash outflow on acquisition was PHP9,000,000 (A\$243,969).

The acquisition of Creative Quest affected the year ended 30 June 2021 consolidated result as follows:

Revenue

Less costs of goods sold

Less expenses

Loss before tax

**30 June 2021
A\$**

106,705

(83,780)

(16,665)

6,260

The Group has not disclosed the revenue or profit or loss as though the acquisition date for business combination occurred at the start of the financial year as such disclosure would not be reliable with the acquired entities' financial statements being unaudited.

The useful life of the customer relationships intangible asset was assessed as 3 years, with the intangible asset being amortised from 4 June 2021 evenly over the 3 year period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

NOTE 28: RENUMERATION OF AUDITORS

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

Consolidated (\$)

Auditors of the Group – BDO and related network firms
 Audit and review of financial statements
 Group (BDO Audit Pty Ltd)
 Controlled entities (related network firms)
 Total audit and review of financial statements
 Total services provided by BDO and related network firms

Other auditors and their related network firms
 Audit and review of financial statements
 Controlled entities
 Total services provided by other auditors (excluding BDO)

	2021	2020
	82,000	76,000
	2,610	2,491
	84,610	78,491
	84,610	78,491
	6,970	7,113
	6,970	7,113

During the year ended 30 June 2021, local auditors in Singapore and the Philippines were appointed to undertake the local subsidiary audits.

NOTE 29: 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.

Name	Country of Incorporation	% Equity Interest	
		2021	2020
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	100
Sumptuous Tech Holdings Pte Ltd	Singapore	100	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)

NOTE 29: RELATED PARTY TRANSACTIONS (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 (\$)	
	2021	2020
Short-term employee benefits	1,409,197	1,669,506
Post-employment benefits	140,778	114,105
Other long-term benefits	408	7,544
Share-based payments	18,419	9,741
Total Compensation	1,568,802	1,800,896

NOTE 30: PARENT ENTITY FINANCIAL INFORMATION

Financial position

Assets

Current assets	
Non-current assets	
Total assets	

Liabilities

Current liabilities	
Non-current liabilities	
Total liabilities	

Net Assets

Equity

Issued capital	
Accumulated losses	
Reserves	
Total equity	

Financial Performance

Net profit for the year	
-------------------------	--

	2021 \$	2020 \$
Current assets	3,365,175	4,529,898
Non-current assets	2,632,688	2,412,626
Total assets	5,997,863	6,942,524
Current liabilities	502,391	1,968,378
Non-current liabilities	19,591	14,662
Total liabilities	521,982	1,983,040
Net Assets	5,475,881	4,959,484
Issued capital	17,586,326	17,588,248
Accumulated losses	(13,857,401)	(14,457,693)
Reserves	1,746,956	1,828,929
Total equity	5,475,881	4,959,484

	Year ended 30 June 2021 \$	Year ended 30 June 2020 \$
Net profit for the year	600,292	190,486

DIRECTORS' DECLARATION

In the opinion of the directors:

- (a) the financial statements and notes set out on pages 22 to 54 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 2021 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(4) 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.



Mark Jobling
Chairman

Dated 24 August 2021

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 2021, 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 2021 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

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>At 30 June 2021, the carrying value of Intangible Assets was \$3,057,735 as disclosed in Note 12.</p> <p>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.</p> <p>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.</p>	<p>Our audit procedures to address the key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> 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

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>AASB 15 <i>Contracts with Customers</i> 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.</p> <p>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.</p> <p>The disclosure in connection with the recognition of license and implementation revenue can be found in Note 3.</p>	<p>Our audit procedures to address the key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • 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.

Acquisition Accounting

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in Note 27 of the financial report, JCurve Solutions Limited acquired the business and assets of the Creative Quest (an entity incorporated in the Philippines).</p> <p>AASB 3 Business Combinations requires a number of judgements to be made in the acquisition accounting</p> <p>The audit of the acquisition is a key audit matter due to the significant judgment and complexity involved in assessing the determination of the fair value of identifiable intangible assets and the final purchase price which included contingent deferred consideration.</p>	<p>Our audit procedures to address the key audit matter included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Reviewing the acquisition agreement to understand the key terms and conditions, and confirming our understanding of the transaction with management; • Assessing the estimation of the contingent consideration by challenging the key assumptions;

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
	<ul style="list-style-type: none"> • Comparing the assets recognised on acquisition against the historical financial information of the acquired businesses; • Obtaining the calculation of the fair value of net identifiable intangible assets acquired to critically assess the determination of the fair values; • Reviewing the recoverability of the intangible assets recorded as part of the business combination to ensure they remain recoverable in light of performance following acquisition; and • Auditing the disclosures associated with the acquisition to ensure they are complete and accurate and reflect the requirements of AASB 3.

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 2021, 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 2021.

In our opinion, the Remuneration Report of JCurve Solutions Limited, for the year ended 30 June 2021, 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

Gareth Few
Director

Sydney, 24 August 2021

SHAREHOLDER INFORMATION

(a) Distribution of ordinary shareholder numbers

Category	Holders	Total Units	% Issued Share Capital
1 - 1,000	71	6,533	0.00%
1,001 - 5,000	15	45,433	0.01%
5,001 - 10,000	54	471,640	0.14%
10,001 - 100,000	169	7,337,863	2.23%
100,001 - and over	141	320,481,970	97.61%
	450	328,343,439	100.00%

There are 154 shareholders that hold less than a marketable parcel as at 8 October 2021.

(b) Substantial shareholders

The names of the substantial shareholders listed in the Group's register as at 30 June 2021 and 8 October 2021 are outlined below, based on the shareholders last lodged Substantial Shareholder notice:

	30 June 2021		8 October 2021	
	Number of ordinary shares held	% held of ordinary share capital	Number of ordinary shares held	% held of ordinary share capital
Graham Baillie	83,124,215	25.35%	83,124,215	25.35%
Philip Ewart	53,007,816	16.14%	53,007,816	16.14%
Mark Jobling	50,704,301	15.47%	50,704,301	15.47%

(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:

c/- Automic Pty Ltd
Deutsche Bank Building
Level 5
126 Phillip Street
Sydney NSW 2000
Ph. (02) 8072 1400

(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 8 October 2021

	Name	Number of Ordinary Shares	% of Ordinary Shares Held
1	MR GRAHAM ALEXANDER BAILLIE & MRS DARRELL BAILLIE <BAILLIE SUPERFUND A/C>	83,124,215	25.32%
2	MR MARK CHRISTOPHER JOBLING	48,399,564	14.74%
3	DR PHILIP GORDON WILSON EWART & MRS KYLIE EWART <EWART SUPER FUND A/C>	37,218,464	11.34%
4	JACANA GLEN PTY LTD <LARKING SUPER FUND NO 2 A/C>	16,179,275	4.93%
5	P EWART INVESTMENTS PTY LTD	10,266,832	3.13%
6	MR GREGORY PETER WILSON	6,265,874	1.91%
7	BENGER SUPERANNUATION PTY LIMITED <BENGER SUPER FUND A/C>	6,030,000	1.84%
8	ROUND ETERNAL INVESTMENTS PTY LTD <VISION SPLENDID A/C>	6,000,000	1.83%
9	DR PHILIP GORDON WILSON EWART	5,435,590	1.66%
10	POTENTATE INVESTMENTS PTY LTD <NORSTER FAMILY A/C>	4,942,305	1.51%
11	SHANMAC PTY LTD <SHANMAC A/C>	4,516,000	1.38%
12	MR DAVID JAMES FRANKS & MR WALTER GEORGE FRANKS <DELPHINI SUPER FUND A/C>	4,206,174	1.28%
13	MS KYLIE LYNETTE NUSKE & MR MATTHEW JAMES COOK <VISION SPLENDID SUPER A/C>	4,000,000	1.22%
14	MR CHARLES BYRON SMITH	3,785,600	1.15%
15	BUFF HOLDINGS PTY LTD <BRUCE & EVE HATCHMAN SF A/C>	3,500,000	1.07%
16	MR STEPHEN CANNING	3,233,418	0.98%
17	MR NEIL WILSON EWART	3,100,000	0.94%
18	INVIA CUSTODIAN PTY LIMITED <GARNET INVESTMENT A/C>	2,668,968	0.81%
19	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAIL CLIENT DRP>	2,556,775	0.78%
20	MR STEVEN GEORGE CARTER & MRS GAIL MAREE CARTER <S & G CARTER S/F A/C>	2,500,602	0.76%
	TOTAL HELD BY TOP 20 HOLDERS	257,929,656	78.55%
	TOTAL HELD BY REMAINING SHAREHOLDERS	70,413,783	21.45%

(h) Stock exchange listing – ordinary shares (as of 30 June 2021)

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

(i) Restricted securities

As at 30 June 2021 and 8 October 2021 there are no restricted security classes recorded in the Company's share register.

(j) Unquoted securities

The unquoted securities of the Company as at 8 October 2021 are:

9,300,000 Performance Rights are outlined below:

Number of Performance Rights	Exercise Price	Expiry Date	Number of Holders
3,100,000	SNil	31 January 2022	5
3,100,000	SNil	30 June 2022	5
3,100,000	SNil	31 January 2023	5

(k) Listing Rule 3.13.1 and 14.3

The Company advises that the Annual General Meeting (AGM) of the Company is scheduled for Tuesday, 16 November 2021 at 10.30am (AEDT). The location of the AGM is subject to COVID-19 restrictions, including regulatory requirements. Further details, including any hybrid or virtual meeting arrangements, will be confirmed closer to the AGM.

Further to Listing Rule 3.13.1, Listing Rule 14.3, nominations for election of directors at the AGM must be received not less than 30 Business Days before the meeting, being no later than Tuesday, 5 October 2021.



Advancing ambition

JCURVE SOLUTIONS LIMITED

CORPORATE INFORMATION

ABN 63 088 257 729

Directors

Mr Mark Jobling
Mr Bruce Hatchman
Mr Graham Baillie
Mr Martin Green

Auditor - For the year ended 30 June 2021

BDO Audit Pty Ltd
Level 11, 1 Margaret Street
Sydney NSW 2000
Australia

Company Secretary

Mr David Franks (Automic Pty Ltd)
Registered office
c/- Automic Pty Ltd
Deutsche Bank Building
Level 5
126 Phillip Street
Sydney NSW 2000
Ph. (02) 8072 1400

Securities Exchange Listings

Australian Securities Exchange
ASX Code: JCS

Website address

www.jcurvesolutions.com

Key Dates

Annual General Meeting: 16 November 2021

Principal place of business in Australia

Level 8, 9 Help Street
Chatswood
New South Wales 2067

Share Register

Automic Registry Services
Deutsche Bank Building
Level 5
126 Phillip Street
Sydney NSW 2000
1300 288 664 or +61 2 9698 5414
<https://www.automicgroup.com.au/contact-us/>

