APPENDIX 4E

PRELIMINARY FINAL REPORT

Name of Entity:	MOQ LIMITED
ABN:	94 050 240 330
Reporting period:	Financial year ended 30 June 2020
Previous corresponding period:	Financial year ended 30 June 2019

APPENDIX 4E

Results for Announcement to the Market

Set out below are the results for MOQ Ltd ("MOQ" or the "Company") and its controlled entities for the year ended 30 June 2020 based on the audited accounts in the attached annual report.

	FY 2019	FY 2018	Movement %
Revenue from ordinary activities	65,185,592	67,870,016	(4%)
EBITDA (before impairment)	2,880,865	1,334,190	116%
Net profit / (loss) from ordinary activities after tax attributable to members	(14,490,519)	2,288,023	(733%)
Net profit / (loss) after tax attributable to members	(14,490,519)	2,288,023	(733%)
Interim dividend per share	n/a	n/a	-
Final dividend per share	n/a	n/a	-
Basic Earnings/(Loss) per share (cents per share)			
- Continuing operations	(8.30)	1.42	(685%)
- Discontinuing operations	-	-	-
Diluted Earnings/(Loss) per share (cents per share)			
- Continuing operations	(8.30)	1.35	(715%)
- Discontinuing operations	-	-	-
Net Tangible Asset Backing per share (cents per share)	(0.77)	3.89	(120%)

Dividend information

	Amount (cents per share)	Record Date	Payment Date
Interim dividend	n/a	n/a	n/a
Final dividend	n/a	n/a	n/a

The company does not have a dividend reinvestment plan.

Additional information

Additional Appendix 4E disclosures can be found in the Notes accompanying the Statement of Profit or Loss and other comprehensive income and Statement of Financial Position.

This Appendix 4E is based on the 30 June 2020 financial report, which has been audited by Stantons International Audit and Consulting Pty Ltd (Stantons International).

Annual Report 2020

FOR THE YEAR ENDED 30 JUNE 2020

MOQ LIMITED
AND ITS CONTROLLED ENTITIES
ABN: 94 050 240 330

CONTENTS

CORPORATE DIRECTORY

Board of Directors

Mr David Shein	Non Executive Chairman
Mr Joe D'Addio	Executive Director and Chief Executive Officer
Mr Scott McPherson	Executive Director and Chief Operating Officer
Mr Joey Fridman	Non Executive Director
Mr Michael Pollak	Non Executive Director and Joint Company Secretary
Mr Alexander White	Non Executive Director

Joint Company Secretaries
Mr (Danny) Wan Yee Loh and Mr Michael Pollak

Auditors
Stantons International Audit and Consulting Pty Ltd
6 Middlemiss St, Lavender Bay, NSW 2060

Solicitors
Thomson Geer
Level 25, 1 O'Connell Street
Sydney NSW 2000

Bankers
Westpac Banking Corporation
94 Church Street
Middle Brighton VIC 3186

St George Bank
Locked Bag 1
Kogarah NSW 1485

Registered Office
Suite 1, Ground Floor
3-5 West Street
North Sydney NSW 2060

Share Registry
Link Market Services Limited
Level 4 Central Park 152 St Georges Terrace
PERTH WA 6000

Investor Enquiries:	1300 554 474
Facsimile:	+61 2 9287 0303

Stock Exchange Listing
Securities of MOQ Limited are listed on the Australian Securities Exchange (ASX).
ASX Code: MOQ

Website
www.MOQ.com.au

Your directors present their report on the consolidated entity (referred to herein as the "**Group**" or "**Company**") consisting of MOQ Limited and its controlled entities for the financial year ended 30 June 2020. The information in the proceeding operating and financial review forms part of this directors' report for the financial year ended 30 June 2020 and is to be read in conjunction with the following information.

General Information

Officers and Directors

The names and particulars of the Directors during or since the end of the financial year are:

Name	Particulars
Mr David Shein	Non Executive Chairman
Mr Joe D'Addio	Executive Director and Chief Executive Officer
Mr Scott McPherson	Executive Director and Chief Operating Officer
Mr Joey Fridman	Non Executive Director
Mr Michael Pollak	Non Executive Director and Joint Company Secretary
Mr Alexander White	Non Executive Director
Mr Danny Loh	Joint Company Secretary

The above named Directors held office during and since the financial year, except as otherwise indicated.

Particulars of each director's experience and qualifications are set out later in this report.

Meetings of Directors

During the financial year, 15 meetings of directors (including committees of directors) were held:

Director	Board Member Since	Eligible Board Meetings	Attended	Eligible Audit and Risk Meetings	Attended	Eligible Remuneration Meeting	Attended
Mr David Shein	17 February 2014	13	12			-	-
Mr Joe D'Addio	29 May 2015	13	12	2	2	-	-
Mr Scott McPherson	29 May 2015	13	11			-	-
Mr Joey Fridman	17 February 2014	13	12	2	2	-	-
Mr Michael Pollak	17 February 2014	13	13	2	2	-	-
Mr Alexander White	1 June 2019	13	13	-	1	-	-

Information Relating to Directors and Company Secretary

David Shein (Non Executive Chairman)

In June 1987, David, having recently migrated from South Africa, founded Com Tech Communications as a specialist supplier of networking and communications products. 14 years later, Com Tech was sold to Dimension Data at an enterprise value of over $1billion. At the time of sale, Com Tech employed over 1,400 people, had offices Australia wide and achieved revenues of $700 million with no external debt. David prides himself on the recognition Com Tech achieved being regularly recognised as one of the leading companies to work for in Australia. Since then, David has been actively involved in mentoring young management teams. David firmly believes while products and technologies come and go, what remains constant is the requirement for any company to build a company that is fanatical about providing legendary customer service and creating an environment that enables an organisation to attract and retain the best team of people. David has been an investor and mentor to a number of start-ups, many of which have been successfully exited. These include Zipmoney, CalReply, Latam Autos, RangeMe, Pocketbook, Centric Wealth, MacromatiX and Holly Connects. David is also Co-Founder of Our Innovation Fund, a $50million early stage venture capital fund that invests in exciting Australian start-ups as well as a founding partner in the Israeli venture capital enterprise, OurCrowd, the first Global Equity Based Crowd Funding Platform.

Interests in shares and options:	4,083,335 fully paid ordinary shares
Other current directorships:	None
Former Directorships in last three years:	None
Special responsibilities:	Chair of Remuneration Committee

Michael Pollak (Non-Executive Director and Joint Company Secretary)

Michael holds a Bachelor of Commerce, is a Chartered Accountant and has an MBA in strategy from the Australian Graduate School of Management. Michael commenced his career at PricewaterhouseCoopers over 20 years ago. Michael has gained valuable experience in both Sydney and London including in general management, audit, insolvency, corporate advisory and strategy across a wide range of industries and has been involved in the restructuring, recapitalisation and relisting of a number of ASX listed entities.

Interests in shares and options:	2,130,000 fully paid ordinary shares
Other current directorships:	None
Former Directorships in last three years:	Blue Star Helium Limited (ASX: BNL) (Non-executive director) Janison Education Group Limited (ASX: JAN) (Non-executive director)
Special responsibilities:	Chair of Audit and Risk Committee

Joey Fridman (Non-Executive Director)

Joey is the co-founder and Chief Executive Officer of Monash Private Capital Pty Limited, a Sydney-based independent financial services firm investing across various asset classes as principal and through its managed funds. Prior to establishing Monash Private Capital, Joey was Chief Financial Officer of Investec Bank (Australia) Limited, and prior to his role as CFO, Joey was one of the founding members of the Bank's investment banking division. Joey is a Chartered Accountant and has an M.B.A. from the Australian Graduate School of Management.

Interests in shares and options:	18,328,334 fully paid ordinary shares
Other current directorships:	None
Former Directorships in last three years:	Member of Audit and Risk Committee
Special responsibilities:	None

Alexander White (Non-Executive Director) (Appointed 1 June 2019)

Alex is an experienced investment manager, having undertaken a number of roles across financial markets prior to joining Viburnum Funds in 2014 to open a Melbourne office and establish an Australian Equities strategy. Prior to joining Viburnum Funds Alex worked at Cooper Investors and as a Strategy Analyst at Fletcher Building (ASX:FBU).

Interests in shares and options:	21,571,214 fully paid ordinary shares*
Other current directorships:	None
Former Directorships in last three years:	None
Special responsibilities:	None

*Shares owned by Viburnum Funds for which Mr White has an indirect interest as a Portfolio Manager.

Joe D'Addio (Executive Director and Chief Executive Officer)

Joe was a co-founder and Director of Technology Effect, MOQ Limited's first acquisition. Joe has over 40 years' experience in the Information Technology services industry. Over the last 25 years, he has held a number of key management and director positions, starting, building and leading businesses focused on providing specialist services for leading and emerging technology solutions into the Australian market.

Interests in shares and options:	17,655,978 fully paid ordinary shares
Other current directorships:	None
Former Directorships in last three years:	None
Special responsibilities:	Chief Executive Officer, Member of Audit and Risk Committee

Scott McPherson (Executive Director and Chief Operating Officer)

Scott was a co-founder and Director of Technology Effect, MOQ Limited's first acquisition. Since forming the company in 2005, Tech Effect grew from providing Infrastructure related Integration Services, to offering Consulting and Managed Services to assist their clients to overcome both business and technical ICT related challenges.

Scott previously held the position of Solutions Director drawing upon more than two and a half decades of industry experience where he has worked for iconic market leaders Com Tech Communications and Dimension Data. During this time, Scott has honed his engineering, management and people skills to create a customer-centric organisation that develops solutions that solve real business problems. These traits contributed to building Tech Effect into the successful, highly respected organisation. As the business grew, Scott's responsibilities evolved to focus on managing the Integration Services Practice, along with setting the vision and go to market strategy for the 'Cloud World'. Scott's technology career started at Queensland University of Technology where he studied for his Bachelor of Business degree in Information Management.

In his position as Chief Operating Officer within MOQdigital, Scott works closely with the CEO to ensure that efficient operations of the business. Scott's experience has been tapped to help ensure that the business is in a position of predictability, scalability and profitability, while making sure of the quality of the services delivered.

Interests in shares and options:	17,943,478 fully paid ordinary shares
Other current directorships:	None
Former Directorships in last three years:	None
Special responsibilities:	Executive Director

Danny Loh (Joint Company Secretary) (appointed 2 October 2019)

Danny joined MOQ in 2015 after starting his career in the IT industry with Com Tech Communications. He gained valuable experience within Com Tech and Dimension Data, culminating in some senior financial roles in Dimension Data subsidiaries such as Express Data, DDLS and Dimension Data Cloud Solutions. Danny holds a Bachelor of Commerce from University of New South Wales and is a Certified Practising Accountant. His experience in service providers and product-oriented IT organisations is being utilised to provide disciplines around reporting, risk management and assessment, and efficient operations at MOQ.

Brad Cohen (Company Secretary) (resigned 2 October 2019)

Brad is the Chief Executive Officer of SkoolBag.

Brad has over 15 years of experience in ASX-listed, large consulting companies and startups across Australia, New Zealand and Israel. His experience in the finance and technology sectors spans corporate mergers and acquisitions, technology startup investment, capital raisings, and building acquired businesses. Prior to these roles, Brad worked as a management consultant, where he advised clients from a broad spectrum of industries on strategic direction, planning and development, process optimisation, product direction and excellence in project management.

Brad is a qualified Chartered Accountant and holds a Bachelor of Commerce-Accounting and a Bachelor of Laws from Macquarie University, Sydney.

Our Business Model and Objectives

MOQ Limited's strategy is to develop, build and acquire Cloud centric complementary technology businesses and capitalise on the accelerating market opportunity presented by Digital Transformation. The Directors of the Company have extensive experience and a proven track record in building and acquiring businesses, as well as providing strategic direction, in order to generate long term sustainable returns for shareholders. The Company is actively pursuing suitable growth opportunities by either organic investment or through synergistic acquisitions in the technology sector.

The Directors would like to report that through FY20, despite significant challenges, there has been substantial progress towards achieving our strategic goals and building the foundations for the business that we aspire to be. Here is a summary and status of those previously stated priorities:

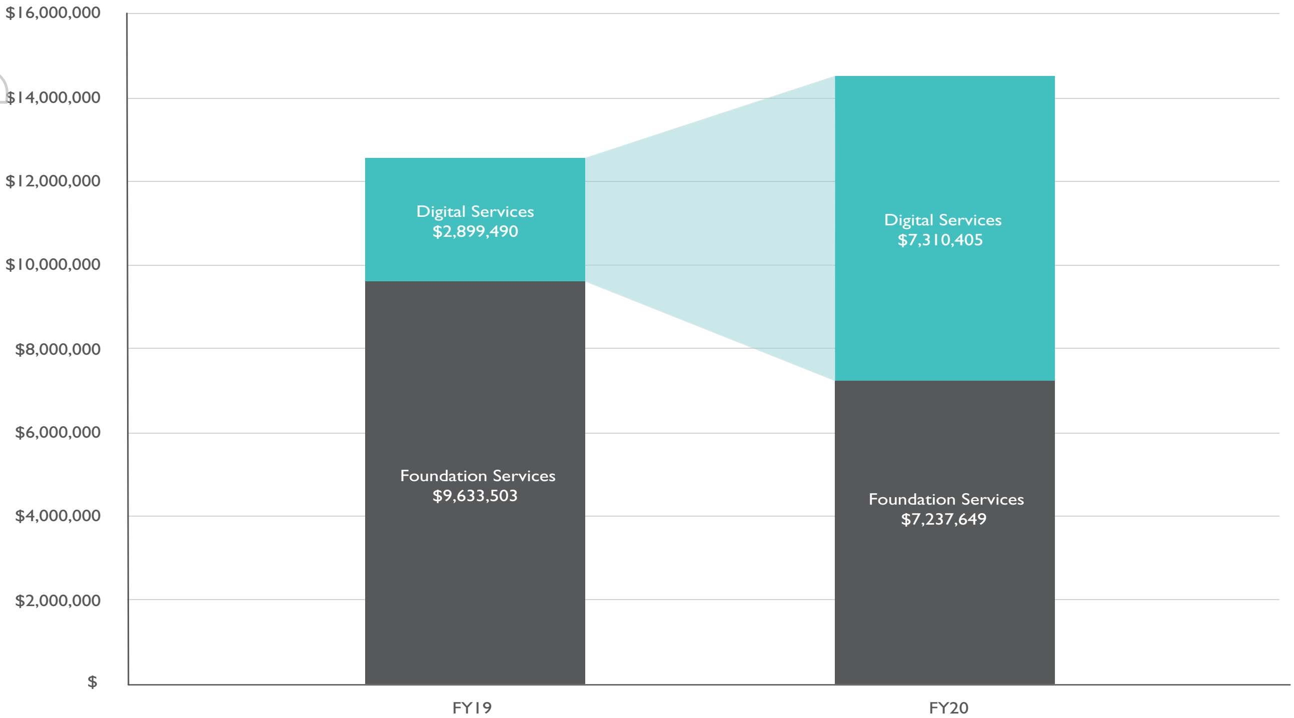
1. Investment in the organic growth of MOQdigital and a build out of capability in the New South Wales and Queensland markets;	Key investments in Sales, Go To Market and Management teams is contributing to our go forward ambitions
2. Continued and increased focus on the growth of high value recurring revenue streams;	Recurring Services has grown to contribute 50% of Total Gross Profit for the business (See Chart 1 below)
3. Prioritise investment in our Digital Transformation Services and specifically our Digital Services Line of Business;	The Digital Services line of business now represents 50% of Total Gross Profit for the business (See Chart 2 below)
4. Investment in function and feature improvement of the Skoolbag product, to further grow the user base and revenue streams;	The Skoolbag team has developed and is deploying its modern architecture.
5. Growth via strategic acquisitions.	The Wardy IT acquisition has been a very positive addition for MOQ Limited and forms the basis for growth in Digital Services and Recurring revenue streams

General Items of Note for FY20

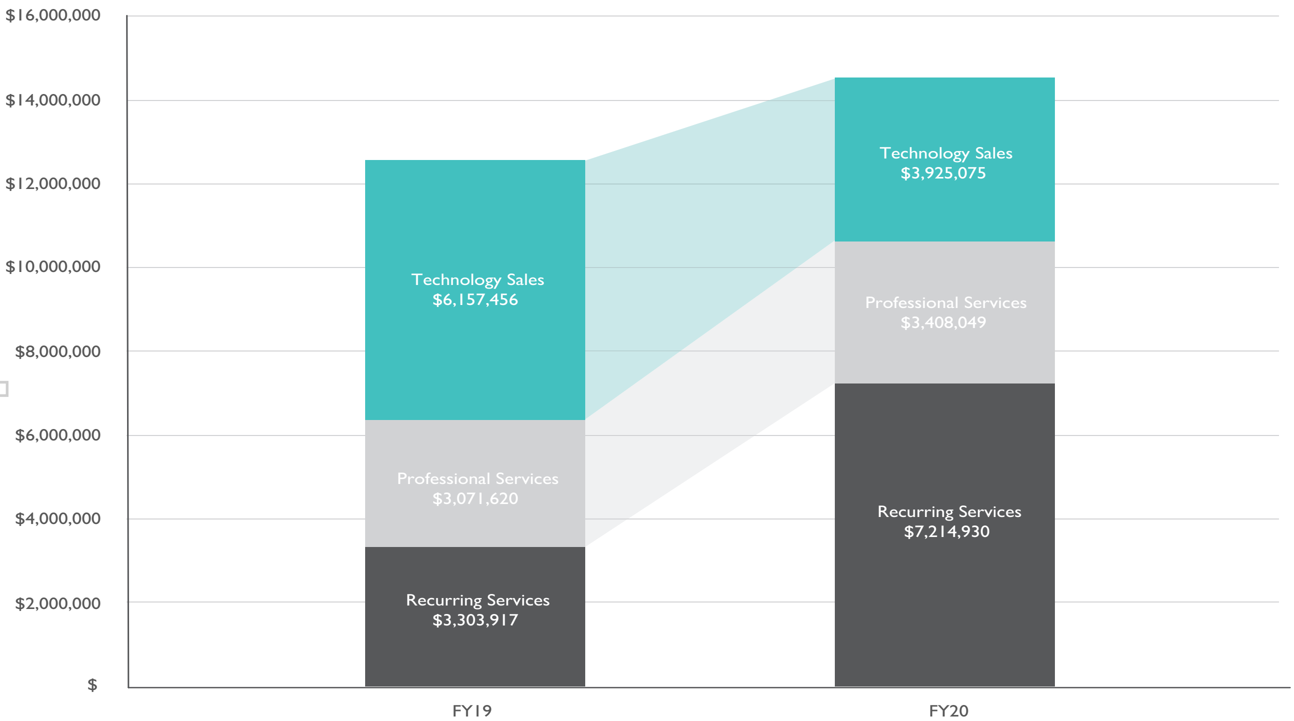
The key items of note for MOQ Limited in FY20 have been:

- From September 1, 2019 Wardy IT Solutions started trading as a wholly owned subsidiary of MOQ Limited. The Wardy IT business is performing well. The phased integration process was temporarily halted during Q4, due to the demands placed on the business to cope with the COVID-19 situation, and was restarted in July 2020.
- With the addition of Wardy IT's market offering, the appointment of Peter Ward as the General Manager of the combined Digital Services and Solutions business and further investment in the Microsoft Partnership, MOQ now has strong positioning in the Digital Transformation Services market. This is evident from excellent growth in our opportunity pipeline, and some significant recent wins.
- Despite the COVID-19 challenges, the MOQ business has now successfully pivoted to be Digital Services and Recurring Services led. This is clearly evident by examination of the Gross Profit contribution statistics:
    - o **Overall Gross Profit** has grown by **16.1%** (with 10 months of Wardy IT contribution and despite downturn in Technology Sales and COVID-19 impact in H2FY20)
    - o **Digital Services Gross Profit** has increased by **152%** and now represents **50%** of the MOQ business (with 10 months of Wardy IT contribution), up from 23% in FY19.
    - o **Recurring Services** now contributes **50%** of total Gross Profit of the MOQ business, and has grown 118% in FY20, (with 10 months of Wardy IT contribution).
- The Chart below illustrates the benefit in Gross Profit that the Digital Services Line of Business has contributed to the business in FY20, compared to FY19. Note that the deterioration in Foundation Services Gross Profit is mainly due to reduced technology sales through the year and then markedly through the COVID-19 impacted period. (Please note that MOQ Limited benefited from the Wardy IT acquisition **for only 10 months** of the financial year)

FY19 Vs FY20 Gross Profit by Line of Business



FY19 Vs FY20 Gross Profit by Service Category



- The restructuring, introduction of new management, and cost reduction programs implemented through Q2 and Q3 has resulted in a more market tuned and effective MOQdigital side of the business. This is particularly evident in Professional Services utilisation rates over the last 3 months and forward momentum, Managed Services opportunity pipeline and recent wins.

Executive Review of FY20

The Reporting Period FY20 featured a unique event in the shape of the COVID-19 pandemic and as such our year became a story of two distinct experiences:

1. The initial eight-month period to the end of February 2020 where the focus was on completing and integrating the Wardy IT Solutions acquisition and reshaping the MOQdigital business to further pivot to-wards the high growth Digital Services market; and
2. The COVID-19 pandemic period from March to June 2020, essentially the final third of FY20, a period in which our customers were faced with a range of pressures and uncertainty, resulting in a hesitation to commit to major long-standing projects, majorly impacting our traditionally stronger finish to a Financial Year and hence our profitability.

MOQ entered the COVID-19 Pandemic period whilst in the middle of a concerted restructuring and cost reduction exercise (this was outlined in our H1FY20 and COVID-19 market announcements in February and April 2020). Additionally, we were receiving the benefit of onboarding of the Wardy IT Solutions business, which had continued to perform well post acquisition. These two positive actions in H2 of FY20, along with the Federal Government's JobKeeper Program, would prove to be major assets as we navigated the COVID-19 period downturn.

Bookings and Revenues dropped significantly through March and April, as customers deferred plans to acquire technology or invest in major projects and initiatives. The initial negative impact on profitability and our cashflow position was significant. The resulting substantial drop in revenue, mainly in Technology Sales, resulted in MOQ Limited's Australian based operating entities qualifying for the JobKeeper program.

It is important to note that the Services side of MOQdigital's business was not as dramatically impacted as Technology Sales revenues. Managed Services revenues remained steady and reliable with minimal negative impact, whilst Professional Services, despite being initially impacted, recovered to pre COVID-19 levels by June 2020.

To understand the impact of the COVID downturn, we highlight that historical forecasting through February 2020 indicated a strong probability of a reasonable statutory EBITDA (pre-impairment) result - greater than what was eventually achieved with the aid of JobKeeper. As provided in this report, our Statutory EBITDA (pre-impairment) result was $2.881 Million, and this was achieved with the valued assistance of JobKeeper. The Underlying EBITDA (pre-impairment) of $1.213 Million is a true indicator of the substantial short-term damage on the MOQ business financial return mainly through March, April and May of 2020.

We are pleased to report that business performance for the start of FY21 has been positive with many of our customers residing in low impact vertical markets – such as government, education, utilities, mining and financial services, continuing their investment cycles which had been stalled by COVID-19.

COVID-19 – Business Outlook

The Board and Executive Team organised promptly and effectively to adapt and adjust to the market environment created by the onset and continuation of the COVID-19 pandemic. With the assistance of JobKeeper, we have been able to, not only quickly recover from the initial financial impact to our business, but importantly keep the shape and capability of the business intact whilst continuing to drive towards our strategic goal of winning our share of the high growth Digital Services market.

We are seeing the following in the market:

- New or additional requirements for technology solutions and services to assist customers with adjusting to the 'Work From Home' environment that is not only necessary but becoming part of the 'new normal'.
- Digital Transformation initiatives restarting or continuing, as customers determine that much of this investment is also necessary to maintain competitiveness, ensure cost reduction and/or business improvement, regardless of COVID-19.
- A growing number of customers have taken the decision to reduce headcount in their businesses and this has impacted their ability to service their own ongoing IT requirements. This will become an emerging market opportunity over the next six to twelve months.
- The general market for adoption of Cloud services such as Microsoft's Azure Cloud is accelerating at double digit growth rates through the pandemic period and into the foreseeable future. This is resulting in increased professional and operational services opportunities for providers such as MOQ.

Whilst underlying market conditions continue to pose some challenges, mainly medium term visibility and uncertainty due to the ongoing COVID-19 situation, there is no doubt that technology services of the nature MOQ Limited provides will remain in demand, as technology continually requires operation, management and improvement, as a minimum. Our business is experiencing a reasonable recovery in a shorter time frame than initially expected and whilst there is an ongoing risk profile that COVID-19 will further impact health, economy and hence our market, there is a growing confidence level that we as a business can continue to pivot to reach our strategic goals.

Financial Results - Items of Note for FY20

The key items of note for MOQ Limited in FY20 have been:

- Due to the uncertainty around the impacts of the COVID-19 pandemic, MOQ felt that it was prudent to fully impair the goodwill related to its past acquisitions of Tetran and Skoolbag. The impact of this impairment was $13.3m to the results.
- FY20 was the first reporting period that MOQ Limited adopted the new leases accounting standard AASB 16. As this has a material impact on the statutory numbers, through decrease in occupancy costs and increase in depreciation and finance costs, Table A has been included below to provide an overview of the impact of the changes, and how any pre-AASB16 full year results would have compared to prior period.

Table A

Consolidated Full Year	30 Jun 2020 Statutory $'000	30 Jun 2020 AASB16 Adjustment $'000	30 Jun 2020 Pre-AASB16 $'000	30 Jun 2019 Pre AASB16 $'000
Revenue from operations	65,186		65,186	67,870
Cost of sales	(50,638)		(50,638)	(55,337)
Gross Profit	14,548		14,548	12,533
Other Income (excluding interest)	1,699		1,699	41
Expenses				
Occupancy	(799)	(739)	(1,538)	(1,166)
Other expenses	(12,567)		(12,567)	(10,073)
Finance costs	(124)	104	(20)	
Total expenses (excl. Depreciation & Amortisation)	(13,490)	(635)	(14,125)	(11,239)
EBITDA (pre-impairment)	2,881	(739)	2,142	1,334
Interest Income	12		12	19
Depreciation & Amortisation	(4,106)	725	(3,381)	(724)
Profit (Loss) before Impairment & Income Tax	(1,337)	90	(1,247)	629
add back / (deduct) abnormal items	1,543		1,543	
Underlying Profit before Impairment & Income Tax	206	90	296	629
Underlying EBITDA (pre-impairment)	1,952	(739)	1,213	1,334

1. Underlying EBITDA is arrived at by adding back impact of abnormal items (excluding amortisation) to Statutory EBITDA. See Table B below for a subtotal of the impact of abnormal cost items excluding amortization

- Also, as FY20 had some abnormal items, primarily associated with the Wardy IT acquisition and government subsidies, we have provided a breakdown of the material items in a separate table below (Table B) to explain the difference between the statutory earnings and underlying earnings, as well as statutory EBITDA and underlying EBITDA.

Table B

Abnormal Items	30 Jun 2020 Statutory $'000
Amortisation Expenses - Wardy Intangible Assets	2,472
Subtotal (impact on amortisation expense)	**2,472**
M&A Advisory Costs	445
Wardy Integration Costs	50
Wardy establishment of provision for doubtful debts	106
MOQdigital additional doubtful debts for project	172
Subtotal (impact on operating expense exc amortisation)	**773**
Government subsidies (JobKeeper/Cashflow Boost)	(1,702)
Subtotal (impact on other income)	**(1,702)**
Total Abnormal Items	**1,543**

Notes for Table B

1. Abnormal amortisation expenses are related to Wardy IT Solutions intangible assets recognised as part of the acquisition, and being amortised over their useful life.
2. M&A advisory costs are related primarily to Wardy IT Solution acquisition.
3. Wardy integration costs relate to costs to establish the project to integrate Wardy IT Solutions into MOQdigital operation, with a view to completion by end of calendar year 2020.
4. We have established a provision for doubtful debts for the Wardy IT business and will review this provision regularly.
5. In relation to issues with onboarding a major client in FY19, we felt it prudent to provide for an additional $172k in doubtful debts in relation to the project. This will ensure that we have fully covered for any potential disputes for the work.

- In relation to MOQ Limited's cash position, please note:
  - In April 2020, MOQ and its subsidiaries qualified for government incentives, primarily the Job-Keeper subsidy. This was primarily due to the significant drop in Technology revenues over the April-June quarter. The positive impact to our cash position from such assistance was approximately $1.12m.
  - We also announced in April 2020 a range of measures related to COVID-19 around cash conservation, including reduction in executive and director salaries, not replacing vacancies in headcount and reduction in discretionary expenditure.
  - Our cash position has improved to $4.976m as at 30 June 2020 from $740k at 31 December 2019 through a combination of government assistance as well as our measures to conserve cash. As at 24 August 2020, our cash position (unaudited) remains strong at $6.2m, with a further working capital facility of $2.5m remaining unused.

    It is also worthwhile to note that we have provided for $2.6m in current liabilities as the best estimate of the expenditure required to settle the obligation for the Wardy IT acquisition. According to the terms of the sale agreement (as outlined in the ASX announcement dated 12 August 2019), a minimum of one third of the earnout is to be paid in cash, and the balance in either shares (valued at a minimum of 27.5c per share) or cash at the discretion of the purchaser.
  - Tables C and D provide additional information

Table C

Balance Sheet	FY20 $'000	FY19 $'000	% Change
Cash	4,976	5,231	-5%
Current Assets	13,463	16,109	-16%
Current Liabilities	16,476	13,682	20%
Net Tangible Assets	(1,357)	6,277	-122%
Current Ratio	0.82:1	1.18:1	-31%

Financial Results - Items of Note for FY20 (Cont)

Table D

Cashflow	FY20 $'000	FY19 $'000	% Change
Cash from Operating Activities	3,556	3,373	5%
Cash used in Investing Activities	(1,150)	(2,106)	45%
Cash used in acquisition of Wardy IT	(1,922)	-	-
Cash from Financing Activities	(739)	-	-
Free Cashflow excluding Wardy acquisition	1,667	1,267	32%

SkoolBag

The SkoolBag business operates and develops a market leading Software-as-a-Service ("SaaS") communications platform, including mobile apps, primarily for K-12, Childcare and education customers and also in the sports vertical.

Some highlights for SkoolBag include:

- New application architecture developed and deployed, providing the foundations for the next stage of scalable feature and product growth
- New admin console for schools developed and currently being rolled out to all customers.
- Successfully piloted a substantial new feature with the intention to roll out over FY21

Summary

As outlined in this Directors' Report, from an earnings perspective, for MOQ Limited, FY20 has been disappointing, albeit severely impacted by an extraordinary period caused by the initial COVID-19 Pandemic reaction.

The Directors and Executive Team strategy to ensure the business not only survived this COVID-19 period , but also continued to pivot to service the Digital Transformation market opportunity, has at this stage proved successful. The cash position as at August 24, 2020 is strong and our line of credit is fully intact. Most importantly, we have been able to retain our core staff, capability and capacity and we are now also benefiting from our H1 FY20 restructuring investments. Wardy IT has been a great strategic acquisition and we are now very well positioned to benefit as the market continues to improve.

The Directors of the Company would like to emphasise that MOQ Limited is continuing to actively seek strategic acquisitions through an ongoing program run by the MOQ Executive team and its advisors to identify and qualify suitable M&A partners.

Significant Changes in State of Affairs

There are no significant changes in the state of affairs of the group other than discussed above.

Dividends Paid or Recommended

In respect of the current year, no dividends have been declared or paid and none are recommended (2019: $nil).

Significant Events after the Reporting Period

On 21 August 2020, the Company issued a Notice of Meeting for an Extraordinary General Meeting to be held on 22 September 2020 to consider and vote on its Employee Option Plan, and the cancellation and re-issue of Employee Options.

Likely developments and expected results

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Environmental Issues

There are no applicable environmental regulations that would have an effect on the Company.

Indemnifying Officers or Auditor

During the year, the Company paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all directors. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of the insurance policies is not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

Proceeding on Behalf of Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings

Auditor

Stantons International Audit and Consulting Pty Limited are the appointed auditors of the Company. The auditor has not been indemnified under any circumstance.

Non-audit Services

There have been no non-audit services provided during the year.

The board of directors considers that there have been no independence issues imposed by the Corporations Act 2001.

Auditor's Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2020 can be found on page 54 of the financial report.

Options

At the date of this report, the unissued ordinary shares of MOQ Limited under option are as follows:

Grant Date	Balance at the date of this report	Exercise price	Expiry
01/09/2016	2,436,358	$0.275	01/09/2020
01/07/2018	2,109,088	$0.255	01/07/2022
TOTAL	**4,545,446**		

Option holders do not have any rights to participate in any issues of shares or other interests of the company or any other entity. For details of options issued to directors and executives as remuneration, refer to the remuneration report.

No person entitled to exercise the option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

Remuneration Policy

The remuneration policy of MOQ Limited has been designed to align key management personnel (KMP) objectives with shareholder and business objectives by providing a fixed remuneration component and offering performance incentives based on key performance areas affecting the consolidated group's financial results. The Board of MOQ Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain high-quality KMP to run and manage the consolidated group, as well as create goal congruence between directors, executives and shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the consolidated group is to have the remuneration policy developed by the Board after professional advice is sought where appropriate from independent external consultants. No external advice was sought to prepare remuneration policies for the current financial year.

- All KMP receive a base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits and performance incentives.
- Performance incentives are generally only paid once predetermined key performance indicators (KPIs) have been met.
- The Board reviews KMP packages annually by reference to the consolidated group's performance, executive performance and comparable information from industry sectors.
- Incentives paid in the form of options or rights are intended to align the interests of the KMP and the Group with those of the shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.

The performance of KMP is measured against criteria agreed biannually with each executive and is based predominantly on the forecast growth of the consolidated group's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options.

KMP receive at a minimum, a superannuation guarantee contribution required by the government, which for the year ending 30 June 2020 was 9.50% (2019: 9.5%) of the individual's average weekly ordinary time earnings. KMP do not receive any retirement benefits. All remuneration paid to KMP is valued at the cost to the company and expensed.

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders. Currently, the maximum aggregate remuneration of non-executive directors is $500,000.

Performance-based Remuneration:

The KPIs are set annually, in consultation with KMP. The KPIs target areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the Group and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the remuneration committee (if requested) in light of the desired and actual outcomes, and their efficiency is assessed in relation to the Group's goals and shareholder wealth, before the KPIs are set for the following year. In determining whether or not a KPI has been achieved, the Board bases the assessment on the Company's performance using audited figures.

Remuneration Expense Details:

The following table of benefits and payments represents the components of the current year and comparative year remuneration expenses for each member of KMP of the consolidated group:

Personnel	Year	Short-term benefits Salary & fees	Short-term benefits Cash Bonus	Other payments	Post-employment benefits Superannua-tion	Share based payments	Total	Performance based percentage of remuneration
Executive Directors								
Mr Joe D'Addio	2020	186,667	-	-	17,733	-	204,400	-
	2019	200,000	-	-	19,000	-	219,000	-
Mr Scott McPherson	2020	273,333	6,000	-	21,003	-	300,336	2%
	2019	200,000	36,000	-	20,531	-	256,531	15%
Non-executive Directors								
Mr David Shein	2020	51,662	-	-	4,338	-	56,000	-
	2019	54,795	-	-	5,205	-	60,000	-
Mr Joey Fridman	2020	50,000		-	-	-	50,000	-
	2019	60,000		-	-	-	60,000	-
Mr Michael Pollak**	2020	51,662	-	20,000	4,338	-	76,000	-
	2019	54,795	-	10,000	5,205	-	70,000	-
Mr Alexander White (appointed 1st June 2019)	2020	45,662			4,338	-	50,000	-
	2019	4,566			434	-	5,000	-
Key Management								
Mr Matthew Goggin (Director Sales)	2020	270,667	-	-	21,003	-	291,670	-
	2019*	240,000	35,000	-	20,531	-	295,531	12%
Mr Chad Lurie (GM Services)	2020	193,333	-	-	18,367	-	211,700	-
	2019	200,000	-	-	19,000	-	219,000	-
Mr (Danny) Wan Yee Loh (GM Finance)	2020	199,500	-	-	18,953	3,168	221,621	1%
	2019	196,000	-	-	18,620	9,238	223,858	2%
Mr Peter Ward (CEO Wardy IT Solutions)	2020	189,231	-	-	17,977	-	207,208	-
	2019	-	-	-	-	-	-	-
2020 Total		**1,511,717**	**6,000**	**20,000**	**128 ,050**	**3,168**	**1,668,935**	**-**
2019 Total		**1,210,156**	**71,000**	**10,000**	**108,526**	**9,238**	**1,408,920**	**-**

* New executive agreement of $280,000 per annum from 1 January 2019

** Other payments for Michael Pollak are related to his appointment as joint Company Secretary.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Personnel	Fixed Remuneration	At Risk – Short Term Incentives	At Risk - Options
Executive Directors			
Mr Joe D'Addio	100%	-	-
Mr Scott McPherson	98%	2%	-
Other Key Management Personnel			
Mr Matthew Goggin	100%	-	-
Mr Chad Lurie	100%	-	-
Mr (Danny) Wan Yee Loh	99%	-	1%
Mr Peter Ward	100%	-	-

Service agreements (audited):

The directors serve until they resign, are removed, cease to be a director or are prohibited from being a director under the provisions of the Corporations Act 2001, or are not re-elected to office.

The directors entered into service agreements on the following terms:

- Mr Shein, Mr Fridman, Mr Pollak and Mr White - Base salary (including director's fees) of $60,000 per annum (including superannuation or similar contributions). They may receive additional payments as approved by the board.
  - As part of MOQ's response to the COVID-19 pandemic, as announced to the ASX on 21 April 2020, all non-executive director remuneration were waived from 1 May 2020 for 6 months.
  - Mr D'Addio - Base salary (including director's fees) of $200,000 per annum (plus superannuation or similar contributions).
  - Mr McPherson – Base salary (including director's fees) of $300,000 per annum (plus superannuation or similar contributions).
  - Annual incentive payment of up to $81,217 each based on pre-determined key metrics.
  - The Company may also, in its absolute discretion, provide a bonus, the value of which, the conditions attached to and the frequency of such a bonus, remain matters over which the Company exercises sole discretion.
  - If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the Director with no notice and will be summarily dismissed. If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide the Director with 3 months' written notice or make a payment of 3 months' salary in lieu of the notice period.
  - The Director may terminate the agreement at his or her sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 3 months of their base fees.
  - After the termination of their employment with the Company and MOQdigital, the Director will be subject to a contractual restraint which may apply for 6 months after the termination and cover up to all of Australia.
  - As part of MOQ's response to the COVID-19 pandemic, as announced to the ASX on 21 April 2020, Mr McPherson's salary was temporarily reduced by 20% effective from 1 May 2020, for 6 months. Mr D'Addio's salary was temporarily reduced by 40% effective from 1 May 2020, for 6 months.

Key Management Personnel entered into service agreements on the following terms:

- Mr Goggin - Base salary of $280,000 per annum (plus superannuation or similar contributions).
- Mr Loh - Base salary of $210,000 per annum (plus superannuation or similar contributions).
  - The Company may also, in its absolute discretion, provide a bonus, the value of which, the conditions attached to and the frequency of such a bonus, remain matters over which the Company exercises sole discretion.
  - If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the KMP with no notice and will be summarily dismissed. If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide the KMP with up to 3 months' written notice or make a payment of up to 3 months' salary in lieu of the notice period.
  - As part of MOQ's response to the COVID-19 pandemic, as announced to the ASX on 21 April 2020, all KMP salaries were temporarily reduced by 20% effective from 1 May 2020, for 6 months.

Service agreements (audited) (cont):

- o The KMP may terminate the agreement at his or her sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 3 months of their base fees.
- o After the termination of their employment with the Company and MOQdigital, the KMP will be subject to a contractual restraint which may apply for 6 months after the termination and cover up to all of Australia.

- Mr Ward – Base salary of $240,000 per annum (plus superannuation or similar contributions).
  - o The Company may also, in its absolute discretion, provide a bonus, the value of which, the conditions attached to and the frequency of such a bonus, remain matters over which the Company exercises sole discretion.
  - o If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the KMP with no notice or compensation and will be summarily dismissed. If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement), the Company will provide the KMP with up to 2 months' written notice or make a payment of up to 2 months' salary in lieu of the notice period.
  - o The KMP may terminate the agreement at his or her sole discretion and at any time, and in doing so is entitled to payment of a fee equivalent to 2 months of their base fees.
  - o After the termination of their employment with the Company, the KMP will be subject to a contractual restraint which may apply for 36 months after the termination and cover up to all of Australia.
  - o As part of MOQ's response to the COVID-19 pandemic, as announced to the ASX on 21 April 2020, all KMP salaries were temporarily reduced by 20% effective from 1 May 2020, for 6 months.
- Mr Lurie – Base salary of $200,000 per annum (plus superannuation or similar contributions).
  - o The Company may also, in its absolute discretion, provide a bonus, the value of which, the conditions attached to and the frequency of such a bonus, remain matters over which the Company exercises sole discretion.
  - o If the Company terminates the agreement with reason (such as gross misconduct, conviction of a major criminal offence or misuse of price sensitive information), the Company will provide the Director with no notice and will be summarily dismissed. If the Company terminates the agreement without reason (notwithstanding any other provision of the agreement) within 12 months of commencement, the Company will provide the Director with 6 months' written notice, and thereafter with 2 months' written notice.
  - o As part of MOQ's response to the COVID-19 pandemic, as announced to the ASX on 21 April 2020, all KMP salaries were temporarily reduced by 20% effective from 1 May 2020, for 6 months.

Shareholding and option holding of directors and other key management personnel (audited)

Options held by Directors and Key Management Personnel

The number of options in the Company during the 2020 reporting period held by each of the Group's Directors and Key Management Personnel, including their related parties, is set out below:

	Year ended 30 June 2020				
Personnel	Balance at the start of the year	Options acquired	Received as part of remuneration	Options exercised / disposed	Held at the end of the year
Mr Joe D'Addio	-	-	-	-	-
Mr Scott McPherson	-	-	-	-	-
Mr David Shein	-	-	-	-	-
Mr Joey Fridman	-	-	-	-	-
Mr Michael Pollak	-	-	-	-	-
Mr Alexander White	-	-	-	-	-
Mr Matthew Goggin	-	-	-	-	-
Mr Chad Lurie	-	-	-	-	-
Mr Danny Loh	363,636	-	-	-	363,636
Mr Peter Ward	-	-	-	-	-

Options held by Directors and Key Management Personnel (continued)

Year ended 30 June 2019					
Personnel	Balance at the start of the year	Options acquired	Received as part of remuneration	Options exercised / disposed	Held at the end of the year
Mr Joe D'Addio	-	-	-	-	-
Mr Scott McPherson	-	-	-	-	-
Mr David Shein	-	-	-	-	-
Mr Joey Fridman	-	-	-	-	-
Mr Michael Pollak	-	-	-	-	-
Mr Alexander White	-	-	-	-	-
Mr Matthew Goggin	-	-	-	-	-
Mr Chad Lurie	-	-	-	-	-
Mr Danny Loh	181,818	-	181,818	-	363,636
Mr Peter Ward	-	-	-	-	-

Additional Information

The factors that are considered to affect total shareholders return (TSR) are summarised below:

	2020	2019	2018	2017	2016
Share Price at financial year end	0.165	0.195	0.24	0.24	0.29
Basic earnings per share (cents per share)	(8.30)	1.42	0.70	0.06	(0.05)
Diluted earnings per share (cents per share)	(8.30)	1.35	0.68	0.06	(0.05)

Name	Grant Date	Held at 1 July 2019	Granted as remuneration	Net change other	Held at 30 June 2020	Vested during the year and as at 30 June 2020	Total unvested at 30 June 2020	Vesting Date	Expiry Date	Value per option at grant date	Total value of options at grant date	Exercise price per option
Wan Yee (Danny) Loh	05-Sep-2016	90,909	-	-	90,909	90,909	-	01-Sep-2018	01-Sep-2020	$0.1045	$9,500.00	$0.275
	05-Sep-2016	90,909	-	-	90,909	90,909	-	01-Sep-2019	01-Sep-2020	$0.1045	$9,500.00	$0.275
	01-Jul-2018	90,909	-		90,909	-	90,909	01-Jul-2020	01-Jul-2022	$0.0697	$6,336.36	$0.255
	01-Jul-2018	90,909	-		90,909	-	90,909	01-Jul-2021	01-Jul-2022	$0.0697	$6,336.36	$0.255

*No other Key Management Personnel were granted remuneration options during the year.

Shares held by Directors and Key Management Personnel

The number of ordinary shares in the Company during the 2020 reporting period held by each of the Group's Key Management Personnel, including their related parties, is set out below:

Year ended 30 June 2020						
Personnel	Balance at the start of the year	Received as part of remuneration	Other changes	Acquired	Disposal	Held at the end of reporting period
Mr Joe D'Addio	17,655,978	-	-	-	-	17,655,978
Mr Scott McPherson	17,943,478	-	-	-	-	17,943,478
Mr David Shein	4,083,335	-	-	-	-	4,083,335
Mr Joey Fridman	18,328,334	-	-	-	-	18,328,334
Mr Michael Pollak	2,130,000	-	-	-	-	2,130,000
Mr Alexander White *	21,571,214	-	-	-	-	21,571,214
Mr Matthew Goggin	8,827,989	-	-	-	-	8,827,989
Mr Chad Lurie	4,110,457	-	-	-	1,085,457	3,025,000
Mr Danny Loh	-	-	-	-	-	-
Mr Peter Ward	-	-	63,000	14,125,072	-	14,188,072

Year ended 30 June 2019						
Personnel	Balance at the start of the year	Received as part of remuneration	Other changes	Acquired	Disposal	Held at the end of reporting period
Mr Joe D'Addio	17,655,978	-	-	-	-	17,655,978
Mr Scott McPherson	17,943,478	-	-	-	-	17,943,478
Mr David Shein	4,083,335	-	-	-	-	4,083,335
Mr Joey Fridman	18,328,334	-	-	-	-	18,328,334
Mr Michael Pollak	2,130,000	-	-	-	-	2,130,000
Mr Alexander White*	-	-	21,571,214	-	-	21,571,214
Mr Matthew Goggin	8,827,989	-	-	-	-	8,827,989
Mr Chad Lurie	4,110,457	-	-	-	-	4,110,457
Mr Danny Loh	-	-	-	-	-	-

* Mr Alexander White was appointed 1 June 2019. 21,571,214 shares were held at appointment per initial directors notice on 1 June 2019. Shares owned by Viburnum Funds for which Mr White has an indirect interest as a Portfolio Manager.

Other Equity-related KMP Transactions

There were no equity-related KMP transactions during the year.

Loans to KMP

No loans have been made to KMP during, or since, the year ended 30 June 2020 (2019: $Nil).

Other transactions with KMP or their related parties

During the year PWJAW Holdings PTY Ltd, a company of which Peter Ward is a director, was engaged to supply HR services. Fees of $21,875 we paid to PWJAW Holdings Ltd. No amounts were outstanding as at 30 June 2020.

During the year, Monash Private Capital was engaged at an arm's length basis to consult on various acquisition opportunities. Consulting fees were paid to Monash of $355,043, including a success fee relating to the acquisition of Wardy IT Solutions. No amounts related to these services were outstanding as at 30 June 2020.

This directors' report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.

Non-Executive Chairman
27 August 2020

STATEMENT OF CORPORATE GOVERNANCE

The Board is committed to achieving and demonstrating the highest standards of corporate governance. As such, MOQ Limited and its Group have adopted the third edition of the Corporate Governance Principles and Recommendations which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for financial years beginning on or after 1 July 2014.

The Group's current Corporate Governance Statement for this reporting period is available on MOQ Limited's website at www.moq.com.au/corporate-governance/

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $	2019 $
Revenue	6	**65,185,592**	**67,870,016**
Cost of Sales	7	**(50,637,538)**	**(55,337,023)**
Gross Profit		**14,548,054**	**12,532,993**
Other Income	6	**1,711,541**	**59,646**
Expenses			
Share based payments		6,381	(197,566)
Depreciation expenses	7	(1,196,773)	(400,378)
Amortisation expenses	7	(2,910,233)	(324,234)
Employee costs	7	(8,279,438)	(6,357,526)
Legal costs	7	(356,006)	(101,575)
ASX and registry related expenses		(65,758)	(50,861)
Marketing expense		(644,355)	(559,305)
Occupancy expenses		(798,505)	(1,165,982)
Professional fees	7	(701,215)	(932,732)
Telecommunication carrier expenses		(310,233)	(277,559)
Other expenses		(2,340,726)	(1,596,308)
Total expenses		**(17,596,861)**	**(11,964,026)**
(Loss) / Profit before impairment		**(1,337,266)**	**628,613**
Impairment Expense		(13,281,938)	-
(Loss) / Profit after impairment		**(14,619,204)**	**628,613**
(Loss) / Profit before income tax expense		**(14,619,204)**	**628,613**
Income tax (expense) / credit	8	128,685	1,659,410
(Loss) / Profit after income tax		**(14,490,519)**	**2,288,023**
Other comprehensive profit for the year			
Exchange differences on translating foreign subsidiaries		(9,215)	(54,055)
Total comprehensive (loss) / Profit for the year		**(14,499,734)**	**2,233,968**
(Loss) / profit is attributable to			
MOQ Limited		(14,490,519)	2,288,023
		(14,490,519)	**2,288,023**
Total comprehensive (loss) / profit is attributable to			
MOQ Limited		(14,490,519)	2,288,023
		(14,490,519)	**2,288,023**
Earnings per share attributable to equity holders of the parent entity			
Basic (loss) / earnings per share (cents per share)	27	(8.30)	1.42
Diluted (loss) / earnings per share (cents per share)	27	(8.30)	1.35

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 2020

	Notes	2020 $	2019 $
Current Assets			
Cash and cash equivalents	9	4,976,105	5,230,606
Trade and other receivables	10	7,455,073	9,824,238
Contract Assets	11	135,486	223,380
Tax Receivable	8	5,659	81,860
Other assets	12	891,060	749,317
		13,463,383	16,109,401
Non Current Assets			
Other Assets	12	937,087	1,069,524
Right of use asset	26	2,274,763	-
Deferred tax assets	8	2,897,193	2,055,485
Property plant and equipment	13	619,562	883,354
Intangibles	14	11,879,765	15,016,255
		18,608,370	19,024,618
Total assets		**32,071,753**	**35,134,019**
Current Liabilities			
Trade and other payables	15	8,902,545	8,963,037
Contract liabilities	16	4,170,625	2,891,056
Provisions	17	2,760,795	1,771,733
Lease liability	26	620,692	-
Current tax payable	8	21,592	56,019
		16,476,249	13,681,845
Non - Current Liabilities			
Lease liability	26	1,737,893	-
Deferred tax liability	8	2,943,363	-
Provisions	17	391,645	159,224
		5,072,901	159,224
Total Liabilities		**21,549,150**	**13,841,069**
Net Assets		**10,522,603**	**21,292,950**
Equity			
Issued capital	18	53,490,057	49,615,752
Reserves	19	269,681	285,277
Accumulated losses	20	(43,237,135)	(28,608,079)
Total Equity		**10,522,603**	**21,292,950**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2019	**49,615,752**	**285,277**	**(28,608,079)**	**21,292,950**
Adjustment for adoption of AASB16 (note1)			(138,538)	**(138,538)**
Restated balance as at 1 July 2019	49,615,752	**285,277**	**(28,746,617)**	**21,154,412**
Net profit for the year	-	-	(14,490,519)	(14,490,519)
Other comprehensive loss	-	(9,215)	-	(9,215)
Total comprehensive income for the year	**-**	**(9,215)**	**(14,490,519)**	**(14,499,734)**
Transactions with owners in their capacity as owners	-	-	-	-
Issue of share capital	3,874,305	-	-	3,874,305
Option Premium Reserve	-	(6,381)	-	(6,381)
Balance as at 30 June 2020	**53,490,057**	**269,681**	**(43,237,136)**	**10,522,602**

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance as at 1 July 2018	**49,615,752**	**141,766**	**(30,896,102)**	**18,861,416**
Net profit for the year	-	-	2,288,023	2,288,023
Other comprehensive loss	-	(54,055)	-	(54,055)
Total comprehensive income for the year	**-**	**(54,055)**	**2,288,023**	**2,233,968**
Transactions with owners in their capacity as owners	-	-	-	-
Issue of share capital	-	-	-	-
Option Premium Reserve	-	197,566	-	197,566
Balance as at 30 June 2019	**49,615,752**	**285,277**	**(28,608,079)**	**21,292,950**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 $	2019 $
Cash flow from operating activities			
Receipts from customers		75,197,872	74,836,667
Receipts from other income		1,124,138	40,611
Payments to suppliers and employees		(72,447,237)	(71,586,095)
Interest received		12,403	19,035
Interest paid		(19,940)	-
Income taxes received / paid		(311,057)	63,063
Net cash provided by operating activities	29	3,556,179	3,373,281
Cash flow from investing activities			
Payment for property plant and equipment	13	(109,705)	(353,049)
Payments for intellectual property	14	(1,002,976)	(858,134)
Payment for deposits		(37,752)	(126,707)
Acquisition of subsidiaries		(1,921,550)	-
Payments for other assets		-	(768,523)
Net cash (used in) investing activities		(3,071,983)	(2,106,413)
Cash flow from financing activities			
Lease payments for right of use assets		(738,697)	-
Net cash provided by financing activities		(738,697)	-
Net increase in cash and cash equivalents		(254,501)	1,266,868
Cash and cash equivalents at beginning of year		5,230,606	3,963,738
Cash and cash equivalents at end of year	9	4,976,105	5,230,606

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements cover MOQ Limited ("Company or "parent entity") and its controlled entity as a consolidated entity (also referred to as "the Group"). MOQ Limited is a company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity and is primarily involved in the information technology industry being the field of software and services.

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

The consolidated financial statements were authorised for issue by the Board of Directors on 27 August 2020.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(a) Basis of preparation of the financial report

Going concern basis of preparation

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Management continually maintains sufficient cash and realisable assets to cover all anticipated entity operating costs and liabilities in the normal course of business, for a period of 12 months or more. This will ensure the entity's ability to continue as a going concern.

Statement of Compliance

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

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company comply with International Financial Reporting Standards ('IFRS'). It is recommended that this financial report be read in conjunction with the public announcements made by MOQ Limited during the year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

The financial report has been prepared on the historical cost basis.

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current year. When the Company applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements, a statement of financial position as at the beginning of the earliest comparative period will be disclosed.

(b) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(c) Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- the consideration transferred;
- any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- the acquisition date fair value of any previously held equity interest over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(c) Goodwill (cont)

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the period in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. Further details can be found in note 14.

(d) Critical accounting estimates

The preparation of the financial statements in conformity with IFRS requires the use of accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 2.

(e) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (MOQ Limited) and all of the subsidiaries. Subsidiaries are entities that the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in in Note 31.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between Group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(f) Fair Value of Assets and Liabilities

The Group measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard. Fair value is the price the Group would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Group would change the categorisation within the fair value hierarchy only in the following circumstances:

- if a market that was previously considered active (Level 1) became inactive (Level 2 or Level 3) or vice versa;
- if significant inputs that were previously unobservable (Level 3) became observable (Level 2) or vice versa.

When a change in the categorisation occurs, the Group recognises transfers between levels of the fair value hierarchy (i.e. transfers into and out of each level of the fair value hierarchy) on the date the event or change in circumstances occurred.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(g) Income tax

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

Current income tax expense or revenue for the year is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Deferred income tax is provided using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax asset and tax liabilities are offset where the entity has a legally enforceable right to offset and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(h) Tax Consolidation Legislation

The Company and its Australian wholly owned subsidiaries have formed an income tax consolidated group under the tax consolidation legislation for the whole of the financial year. Each entity in the Group recognises its own current and deferred tax liabilities, except for any deferred tax liabilities resulting from unused tax losses and tax credits, which are immediately assumed by the parent entity. The Group notified the Australian tax Office it had formed an income tax consolidated group to apply from 1 June 2015. The tax consolidated group has entered a tax sharing agreement whereby each company in the Group contributes to the income tax payable in proportion to their contribution to the net profit before tax of the tax consolidated group.

(i) Plant and equipment

Each class of plant and equipment is carried at cost less any applicable accumulated depreciation and any accumulated impairment losses. Plant and equipment is measured on the cost basis. The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets.

The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

The depreciated amount of all fixed assets including capitalised leased assets is depreciated on a straight line basis over their useful lives commencing from the time the asset is held ready for use.

The expected useful life of plant and equipment ranges from 3 to 15 years.

The assets' residual values and useful life are reviewed at the balances date. The asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater that its estimated recoverable amount.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included net in profit or loss.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the consolidated group commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Leasehold improvements	Term of lease
Plant and Equipment	33.33- 66.67%

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(i) Plant and equipment (cont)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to accumulated losses.

(j) Financial instruments

The Group initially recognises financial assets on the trade date at which the Group becomes a party to a contractual provision of the instrument.

Financial assets are initially measured at cost. If the financial asset is not subsequently measured at fair value through profit or less, the initial measurement includes transaction costs that are directly attributed to the asset's acquisition. The Group subsequently measures financial assets at either amortised costs or fair value.

A financial asset is subsequently measured at amortised cost using the effective interest method and net of any impairment loss, if:

- The asset is held with an objective to collect cash flows; and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets other than those classified as financial assets measured at amortised costs are subsequently measured at fair value with all changes in fair value recognised in profit or loss.

All financial liabilities are recognised initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument. Non derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payment and amortisation.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire. Financial assets and financial liabilities are offset when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the assets and settle the liability simultaneously.

(k) Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have occurred after the initial recognition of the asset and that the loss event has a negative effect on the estimated future cash flows of that assets which can be estimated reliably.

The Group considers evidence of impairment for receivables at both a specific and collective level. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

(l) Impairment of non-financial assets

Intangible assets are tested annually for impairment or more frequently if changes in circumstances indicate that they might be impaired.

At each reporting date the Group assesses whether there is any indication that individual assets are impaired. Where impairment indicators exist, recoverable amount is determined and impairment losses are recognised in profit or loss where the asset's carrying value exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purpose of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current marked assessment of the time value of money and the risks specific to the asset.

(m) Intangible assets

Customer contracts acquired as part of a business combination are recognised separately from goodwill. The customer contracts are carried at fair value at the date of acquisition less accumulated amortisation and impairment losses. Fair value is assessed based on the income streams generated from customer contracts after allowing for cost specific to the generation of those income streams. In the assessment of the carrying value of the intangible assets costs not related to the generation of the contract related income streams were excluded. These intangibles are separate from the business to which they relate and have been assessed on this basis. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which at present are 3 years to 8 years.

Software acquired as part of a business combination is recognised separately from goodwill. The software is carried at fair value at the date of acquisition less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows of the contracts over their estimated useful lives, which at present are 3 years.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(m) Intangible assets (cont)

Software created internally is carried at fair value less accumulated amortisation and impairment losses. Amortisation is calculated based on the timing of projected cash flows over their estimated useful lives, which at present are 5 years.

(n) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax.

If the entity reacquires its own equity instruments, those instruments are deducted from equity and the associated shares are cancelled. No gain or loss is recognised in the profit or loss and the consideration paid including any directly attributable costs net of any taxes is recognised directly in equity.

(o) Foreign currency transactions and balances

The functional currency of each entity in the consolidated entity is measured using the currency of the primary economic environment in which that consolidated entity operates. The consolidated financial statements are presented in Australian dollars which is the consolidated entity's functional and presentation currency.

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated using the spot rate at the end of the financial year. Non monetary items measured at historical cost continue to be carried at the date of the transaction. Non monetary items measured at fair value are reported at the exchange rate at the date when the fair values were determined. Material exchange differences arising on the translation of monetary items are recognised in profit or loss except where deferred in equity as a qualifying cash flow or net investment hedge. Material exchange differences arising on the translation of non monetary items are recognised in equity to the extent that the gain or loss is directly recognised in equity otherwise the exchange is recognised in profit or loss.

(p) Employee benefits

Wages and salaries and annual leave

Liabilities for wages and salaries, and annual leave, including non monetary benefits, 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 and are measured at the amounts expected to be paid when the liabilities are settled, on an undiscounted basis.

Long service leave

The liability for long service leave and annual leave which is not expected to be settled within 12 months of the reporting date are recognised in the provision for employee benefits and measured as the present value of expected future payments to be made for services provided by employees up to the reporting date.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible the estimated future cash outflows.

Termination benefits

Termination benefits are payable when employments are terminated before the normal retirement date, or when the employee accepts voluntary redundancy in exchange for these benefits.

The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after reporting date are discounted to present value.

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the Statement of Financial Position date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

(r) Cash and cash equivalents

Cash and cash equivalents include cash on hand and at banks, deposits held on call with banks, other short term highly liquid investments with an original maturity date of three months or less held and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in Statement of Financial Position.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(s) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

The group has identified the following main categories by segment:

- Technology – sale of ICT hardware, software and licensing
- Professional Services – Infrastructure, Cloud, Data & Analytics, Consulting Professional Services and SkoolBag application set up, web hosting and online marketing services.
- Recurring Services – Managed Services, SkoolBag Mobile App services.

(i) Rendering of Recurring Services – Recurring Services – Managed Services

Managed Services & Mobile App revenues primarily derives from provision of IT infrastructure, cloud, data and analytics service desk and outsourced IT services. Where consideration is received in advance of performance, it is initially recorded as deferred revenue. Revenue is recognised as the performance obligations are satisfied which is considered to be evenly over the contracted term.

(ii) Rendering of Services – Professional Services

Revenue from professional services for Infrastructure, Cloud, Data & Analytics and Consulting are recognised over time either by reference to the stage of completion of the contracts, or by the labour hours incurred to date if provided for contractually. Stage of completion is measured by reference to labour hours incurred to date as a percentage of total estimated labour hours for each contract. Where the outcome cannot be reasonably measured, revenue is only recognised to the extent of the recoverable costs incurred to date of the performance obligation.

(iii) Rendering of Services – SkoolBag application set up

Application set up revenues consist of fees charged for the setting up of the mobile application for customers. Where the Group has an enforceable right to payment for performance completed and no alternative use for the asset, it recognises revenue at the point of completion of the set up when the performance obligations have been satisfied, as per AASB 15.

(iv) Rendering of Services – SkoolBag web hosting

Hosting revenue primarily derives from website hosting services. Where consideration is received in advance of performance, it is initially recorded as deferred revenue. Revenue is recognised as the performance obligations are satisfied which is considered to be evenly over the contracted term.

(v) Rendering of Services – SkoolBag Online marketing

Online marketing revenue consists of rebates received from advertisers for successful customer sign-ups to advertiser services. Revenue is recognised at the point where advertisers confirm the rebates have been earned.

(vi) Technology Sales and Transaction prices

The Group's customer contracts may include multiple performance obligations. In these cases the Group allocates the transaction price to each performance obligation based on the relative standalone selling prices of each distinct service. Standalone selling prices are determined based on prices charged to customers for individual products and services taking into consideration the size and length of contracts, service rate cards and the Group's overall go to market strategy.

(vii) Principal versus agent considerations

The Group acts as an agent for vendors of Cloud Services and recommends such services to customers where appropriate. Where consumption of such services meet certain criteria set by the vendor, the Group may be entitled to rebates. Such rebates are recognised in arrears upon confirmation by the vendors of the rebates earned.

(viii) Customer acquisition costs

Incremental costs of obtaining a contract with a customer are capitalised when expected to be recovered under the contract.

Where costs are incurred in transitioning a Managed Services contract, such costs are capitalised and amortised over the expected period of benefit. AASB 15 allows entities to immediately expense costs which would have been amortised within a year or less and for such situations the Group recognises the incremental costs of obtaining contracts as an expense when incurred.

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

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(t) New and revised accounting requirements applicable to the FY20 period

AASB 16: Leases

AASB 16 'Leases' (modified retrospective approach)

The Group has adopted AASB 16 from 1 July 2019. The standard replaced AASB 117 'Leases' and for lessees eliminated the classifications of operating leases and finance leases. Except for short term leases and leases of low value assets, right of use assets and corresponding lease liabilities are recognised in the statement of financial position, Straight line operating lease expense recognition is replaced with a depreciation charge for the right of use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to the lease expenses under AASB 117. However, EBITDA (Earnings Before Interest Tax Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit and loss. For classification within the statement of cashflows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. Lease liabilities have been brought to account as the present value of the remaining lease payments, discounted using the Group's incremental borrowing rates as at 1 July 2019. The discount rates applied range between 4.1% and 12%.

Impact of adoption

AASB 16 is adopted using the modified retrospective approach and as such comparatives have not been restated. The impact of adoption on opening accumulated losses as at 1 July 2019 was as follows:

	July 2019 $'000
Operating lease commitments as at 1 July 2019 (AASB 117)	3,306
Accumulated depreciation as at 1 July 2019 (AASB 16)	(575)
Lease Liability – Current (AASB 16)	(743)
Lease Liability – Non Current (ASSB 16)	(2,016)
Provision for makegood	(120)
Tax effect of deferred tax asset and liability	10
Increase in operating accumulated losses as at 1 July 2019	(138)

Right of use assets

A right of use asset is recognised at the commencement date of the 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, 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 the estimated useful life. Right of use assets are subject to impairment or adjusted remeasurement of lease liabilities.

Lease liabilities

A lease liability is recognised at the commencement date of the 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 the rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentive receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual guarantees, exercise price of a purchase option where 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 rate used; residual; guarantee; lease term; certainty of a purchase option and termination penalties. When a lease lability is remeasured, an adjustment is made to the corresponding right of use asset, or the profit or loss if the carrying amount of the right of use asset is fully written down.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(t) New and revised accounting requirements applicable to the FY20 period (cont)

Short term leases and leases of low value

The Group applies the low-value assets recognition exemption to leases of office equipment that are considered of low value ($10,000 or less). Lease payments on short term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term).

The Group currently has a number of short-term leases which are being expensed directly to the profit and loss, on a straight line basis over the lease term.

(u) Finance costs

Finance costs are expenses in the period in which they are incurred and reported in the profit and loss.

(v) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Group by the weighted average number of ordinary shares outstanding during the year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares. Potential ordinary shares are anti-dilutive when their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

(w) Trade and other receivables

The Group makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance at the amount equal to the expected lifetime credit losses. In using this practical expedient, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the days past due. The Group writes off fully any amounts that are more than 90 days past due.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectable in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(x) Contract Assets

Contract assets is stated as the aggregate of costs incurred to date plus recognised profits less recognised losses and progress billings. Cost includes all costs directly related to specific contracts, and an allocation of overhead costs attributable to contract activity in general.

Project revenue has been recognised on the basis of the terms of the contract adjusted for any variations or claims allowable under the contract. Any credit balance in contract assets is reclassified as income in advance. Where losses are anticipated they are provided for in full.

When the outcome of the project cannot be estimated reliably, revenue is only recognised to the extent that the costs incurred are recoverable.

(y) Trade and other payables

Trade and other payables represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest. These amounts are unsecured and are usually settled within 30 days of recognition.

(z) Operating segments

The Company has identified its operating segments based on internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) to make financial and operational decisions and to allocate resources. We attribute sales to an operating segment based on the type of product or service provided to the customer.

We have identified three reportable segments, as follows:

- Technology Sales – provision of vendor hardware, software and associated licenses and maintenance contracts;
- Professional Services – provision of a range of specialist services including consulting, project management, infrastructure, cloud and data analytics services to assist clients with strategy, architecture, design, development and implementation of ICT solutions; and

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (cont)

(z) Operating segments (cont)

- Recurring Services – a combination of managed services including operations, support and ICT management, as well as a range of in-house developed commercialised IP and Cloud (SAAS) based solutions.

The consolidated entity primarily services clients in one geographical segment being Australia, with support from Australia, Sri Lanka and New Zealand. However, there are no material revenues generated outside of Australia, and as a result no additional geographical segment information has been provided.

(aa) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

(bb) New Accounting Standards for Application in Future Periods

The Group will assess the Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Group, together with an assessment of the potential impact of such pronouncements on the Group when adopted in future periods. For the FY20 year there are no new accounting standards to assess.

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective. The impact of some of these standards has not been assessed yet.

Standard / Implementation	Effective for annual reporting period beginning on or after	Expected to be initially applied in the financial year ending
AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business	1 January 2020	30 June 2021
AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material	1 January 2020	30 June 2021
AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework	1 January 2020	30 June 2021
AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current	1 January 2020	30 June 2021
AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments	1 January 2020	30 June 2021
AASB 2020-4 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions	1 January 2020	30 June 2021

(cc) Government Grants

Government grants are recognised when there is reasonable certainty that the grant will be received and all grant conditions are met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating.

Government grants include amounts received or receivables under the Federal Governments' Jobkeeper Payment Scheme and Cash Flow Boost Scheme, which provide temporary subsidies to eligible businesses significantly affected by COVID 19. The company has booked these payments in Other Income.

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

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key Estimates

Impairment of Non-Current Assets

The Company assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to an impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Expected Credit Losses

The provision for impairment of receivables assessment requires a degree of estimation and judgement. The level of provision is assessed by taking into account the recent sales experience, historical collection rates and specific knowledge of the individual debtors' financial position.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Taxation

The Group's accounting policy for taxation requires management's judgment in assessing whether deferred tax assets and deferred tax liabilities are recognized in the Statement of Financial Position. Deferred tax assets, including those arising from un-recouped tax losses and temporary differences are recognized only where it is considered more likely than not that they will be recovered, which is dependent upon the generation of sufficient future taxable profits.

Assumptions about the generation of future profits depend upon management's estimates of future profitability and cash flows. These depend upon estimates of future income, operating costs, capital expenditure, dividends and other capital management transactions. Judgments and assumptions are also required in relation to the application of income tax legislation. These judgments and assumptions are subject to risk and uncertainty. Therefore there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized in the Statement of Financial Position and the amount of tax losses and temporary differences not yet recognized. In such circumstances, some or all of the carrying amounts of recognized deferred tax assets and liabilities may require adjustment, resulting in a correction to the Statement of Profit or Loss and Comprehensive Income.

Share-based payments

The fair value of options issued under the MOQ Limited Employee Incentive Plan is measured by reference to the fair value of options granted. The fair value estimate is based on the Black Scholes option-pricing model. The contractual life of the options is used as an input into the model. Further information regarding assumptions is included in Note 30.

Provision for Wardy IT Solutions earn-out

Determining the provision for earn-out requires management's judgement, supplemented by experience of similar transactions and advice from experts. The best estimate provision has been arrived at by applying these principles and with the available information at hand.

NOTE 3: FINANCIAL RISK MANAGEMENT

Recoverability of Contract Assets

The Company assesses contract assets on a monthly basis to determine whether the amounts accrued are recoverable to the Group when billed to customers. At the reporting date, the directors believe that the carrying value of contract assets is recoverable in full.

Valuation of Provisions

The Company has assessed the value of provisions at the reporting date in line with the accounting policy at Note 1(q).

Risk management is the role and responsibility of the board. The Group's current activities expose it to minimal risk. However, as activities increase there may be exposure to credit, liquidity, foreign currency and interest rate risks.

Determination of Intangible Property Acquired

The company has assessed the value of intangible property acquired from the acquisition of Skoolbag, Tetran and Wardy IT Solutions using management's judgement in determining the fair values of the property acquired.

NOTE 3: FINANCIAL RISK MANAGEMENT (cont)

(a) Credit Risk

The Group has no significant concentrations of credit risk. As there are no other major concentration of debtors, no sensitivity analysis has been prepared by the Group. The ageing of the Group's trade and other receivables net of expected credit losses at the reporting date is:

	2020 $	2019 $
Current	6,106,602	6,301,563
30 - 60 days	667,815	1,700,488
60 - 90 days	269,222	539,351
More than 90 days	411,434	1,282,836
	7,455,073	9,824,238

The directors believe that the above stated balances are fully recoverable.

(b) Liquidity

Prudent liquidity risk management implies maintaining sufficient cash to meet commitments as and when they fall due. The Group manages liquidity risk by preparing forecasts and monitoring actual cash flows and requirements for future capital raisings. The Group has a committed credit line available, which is appropriate given the nature of its operations. Surplus funds are invested in a cash management account with Westpac Banking Corporation, St George and HSBC which is available as required.

The material liquidity risk for the Group is the ability to raise equity or access debt finance as required in the future.

(c) Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is:

		1 year or less		Over 1 to 5 years	
	Floating Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Non Interest Bearing $	Total $
30 June 2020					
Financial assets					
Cash and deposits	1,290,188	-	3,685,917	-	4,976,105
Current receivables	-	-	7,455,073	-	7,455,073
Right of use asset	-	-	2,274,763	-	2,274,763
Other assets	-	-	35,816	583,866	619,682
	1,290,188	-	13,451,569	583,866	15,325,623
Weighted average interest rate	0%				
Financial liabilities					
Trade and other payables	-	-	(8,902,545)	-	(8,902,545)
Lease liability	-	-	(620,692)	(1,737,893)	(2,358,585)
Borrowings	-	-	-	-	-
Tax Payable	-	-	(21,592)		(21,592)
	-	-	(9,544,829)	(1,737,893)	(11,282,722)
Weighted average interest rate	Nil				
Net financial assets	1,290,188	-	3, 906,740	(1,154,027)	4,042,901

The directors do not consider the results of the Group to be subject to significant sensitivity arising from interest rate risks.

NOTE 3: FINANCIAL RISK MANAGEMENT (cont)

		1 year or less		Over 1 to 5 years	
	Floating Interest Rate $	Fixed Interest Rate $	Non Interest Bearing $	Non Interest Bearing $	Total $
30 June 2019					
Financial assets					
Cash and deposits	265,539	-	4,965,067	-	5,230,606
Current receivables	-	-	9,824,238	-	9,824,238
Right of use asset	-	-	-	-	-
Other assets	-	-	112,017	545,991	658,008
	265,539	-	14,901,322	545,991	15,712,852
Weighted average interest rate	0%				
Financial liabilities					
Trade and other payables	-	-	(8,963,037)	-	(8,963,037)
Lease liability	-	-	-	-	-
Borrowings	-	-	-	-	-
Tax Payable	-	-	(56,019)		(56,019)
	-	-	(9,019,056)	-	(9,019,056)
Weighted average interest rate	Nil				
Net financial assets	265,539	-	5,882,266	545,991	6,693,796

(d) Foreign currency risk

The Group has subsidiaries in Sri Lanka and New Zealand, which serves primarily as service and support centres. As all intercompany loans are repayable in AUD$, the group is not materially exposed to foreign currency risk and as such, no sensitivity analysis has been made by the Group.

(e) Fair value hierarchy

The Group has not disclosed the fair values for financial instruments such as short-term trade receivables and payables because their carrying amounts are a reasonable approximation of their fair values.

NOTE 4: SEGMENT INFORMATION

The segment information provided to the Board of directors, for the reportable segments* is as follows:

30 June 2020	Recurring Services $	Professional Services $	Technology Sales $	Unallocated $	Total $
Revenue from external customers	**20,094,559**	**21,442,198**	**23,648,835**	**-**	**65,185,592**
Other income	-	-	-	1,711,541	**1,711,541**
Total Reportable Segment results	**7,214,930**	**3,408,049**	**3,925,075**	**(29,167,258)**	**(14,619,204)**
Total segment assets	-	-	-	32,071,753	**32,071,753**
Total segment liabilities	-	-	-	21,549,150	**21,549,150**
30 June 2019					
Revenue from external customers	**13,545,139**	**17,792,941**	**36,531,936**	**-**	**67,870,016**
Other income	-	-	-	59,646	**59,646**
Total Reportable Segment results	**3,303,917**	**3,071,620**	**6,157,456**	**(11,904,380)**	**628,613**
Total segment assets	-	-	-	35,134,019	**35,134,019**
Total segment liabilities	-	-	-	13,841,069	**13,841,069**

*please refer to Note 1(s) for a description of each of the Reportable Segments.

NOTE 5: PARENT ENTITY DETAILS

Summarised presentation of the parent entity, MOQ Limited:

(a) Summarised statement of financial position

	2020 $	2019 $
Assets		
Current assets	201,741	320,373
Non current assets	10,703,252	19,905,394
Total assets	10,904,993	20,225,767
Liabilities		
Current liabilities	(2,824,537)	(95,028)
Non current liabilities	(1,381,295)	(1,375,813)
Total liabilities	(4,205,832)	(1,470,841)
Net assets	6,699,160	18,754,926
Equity		
Share Capital	53,490,057	49,615,752
Reserves	472,230	478,611
Accumulated losses	(47,263,127)	(31,339,437)
Total equity	6,699,160	18,754,926

(b) Summarised statement of comprehensive income

	2020 $	2019 $
Profit / (Loss) for the year after tax	(15,923,690)	757,847
Total comprehensive income / (loss) for the year	(15,923,690)	757,847

(c) Guarantees entered into by the parent

The parent has not entered into any guarantees other than disclosed in this report.

(d) Contingent liabilities of the parent

The parent is not aware of any contingent liabilities other than disclosed in this report.

(e) Commitments of the parent

The parent does not have any commitments other than disclosed in this report.

NOTE 6: REVENUE AND OTHER INCOME

	2020 $	2019 $
(a) Revenue from operations	65,185,592	67,870,016
(b) Other income		
Interest received	12,403	19,035
Other income	(2,362)	40,611
Government Grants[1]	1,701,500	-
	1,711,541	59,646
Total revenue and other income	66,897,133	67,929,662

[1]Government grants include Jobkeeper subsidy and Cashflow Boost.

NOTE 7: OPERATING PROFIT

Profit before income tax includes the following expenses:

		2020 $	2019 $
(a)	Cost of sales		
	Technology	19,723,760	30,374,480
	Recurring services	12,879,629	10,241,222
	Professional services	18,034,149	14,721,321
		50,637,538	55,337,023
(b)	Depreciation – office equipment, software and right of use asset	1,196,773	400,378
	Amortisation – intangible assets	2,910,233	324,234
		4,107,006	724,612
(c)	Employee benefits, other labour and related expenses		
	Wages and salaries	6,363,534	4,682,355
	Superannuation	591,532	352,569
	Other employee benefits expenses	1,324,372	1,322,602
		8,279,438	6,357,526
(d)	Legal costs	356,006	101,575
(e)	Professional fees		
	Consultants fees[1]	468,821	757,699
	Compliance fees	223,526	162,967
	Other Fees	8,868	12,066
		701,215	932,732

[1] FY 19 Includes $349,462 tax advisory costs for recovery of historical deferred tax asset of $1,647,442 by way of a Private Ruling from the Australian Tax Office

NOTE 8: INCOME TAX

		2020 $	2019 $
(a)	**The components of tax benefit / (expense) comprise:**		
	Current tax	(165,447)	264,292
	Deferred tax	294,132	1,395,118
		128,685	1,659,410
(b)	**Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable**		
	(Loss) / Profit before income tax expense	(14,619,204)	628,613
	Income tax calculated at 30% (2019: 30%)	4,385,761	(188,584)
	Tax rate differential	(30,465)	7,727
	Other expenditure not allowed for income tax purposes	(4,151,580)	8,435
	Foreign exchange differences	-	-
	Over Provision in respect of prior years	(18,722)	142,022
	Other income for income tax purposes	(16)	42,368
	Temporary income tax differences	(389,334)	111,961
	Tax effect of tax losses able to be utilised due to private tax ruling	333,041	1,535,481
	Income tax (expense) / benefit	(128,685)	1,659,410
	The applicable weighted average effective tax rates are as follows:	0.88%	263.98%

NOTE 8: INCOME TAX (continued)

	2020 $	2019 $
(c) Tax effects relating to other comprehensive income		
There is no tax effect relating to components of other comprehensive income.		
(d) Unrecognised Tax losses		
Potential tax benefit at 30% (2019: 30%)	-	-

(e) Current tax payable / recoverable

Current tax payable is $21,592, relating to income tax for MOQdigital NZ Limited

Current tax receivable for the group is $5,659 for MOQ Limited.

(f) Recognised deferred tax assets and liabilities

Deferred income tax balances at 30 June 2020 relate to the following:

	2020 $	2019 $
(i) Deferred tax liabilities		
Right of use asset	(604,826)	-
Contract assets	(64,927)	-
Acquired customer contracts	(2,273,610)	-
Deferred Tax Liabilities	(2,943,363)	-
(ii) Deferred tax assets		
Provisions	610,356	519,191
M&A costs	245,304	41,953
Contract liabilities	675,245	360,662
Other Assets	-	208,153
Employee obligations	757,150	537,761
Other	-	54,724
Lease liabilities	609,138	-
Tax losses*	-	333,041
Deferred Tax Assets	2,897,193	2,055,485

* A private ruling was lodged on 5 February 2019 (after finalisation of the 2018 financial statements but before lodgement of the 2018 Income Tax Return) applying for modification of the continuity of ownership test for tax losses related to the entity prior to reconstruction that were initially treated as lost in accordance with the continuity of business rules under the Australian Taxation legislation. On 11 April 2019, the Australian Taxation Office ruled in favour of MOQ and tax returns were amended to ensure use of the losses. The amendments resulted in additional tax losses of $5,118,269 being recognised.

(g) Tax consolidation

For the purposes of income taxation MOQ Limited and its 100% Australian owned subsidiaries form a tax consolidated group. The head entity of the consolidated group is MOQ Limited.

The head entity is responsible for the liabilities of the group. Intra group transactions are ignored for tax purposes and there is a single return lodged on behalf of the group.

NOTE 9: CASH AND CASH EQUIVALENTS

	2020 $	2019 $
Cash at bank	4,976,105	5,230,606
	4,976,105	5,230,606

NOTE 10: TRADE AND OTHER RECEIVABLES

	2020 $	2019 $
Trade receivables	7,496,498	10,172,536
Expected credit losses	(596,525)	(386,386)
Other receivables*	555,100	38,088
	7,455,073	9,824,238

* Other receivables at 30th June 2020 includes a $525,000 Job Keeper receivable outstanding from the Australian Tax Office for 30 June 2020 wages only.

Management believes that any debts that have not provided for and are past due by more than 30 days are still collectible in full based on historic payment behaviour. The amounts that are past due but not impaired are $751,946 at 30 June 2020.

Please refer to Note 3(a) for a further breakdown of the ageing of receivable amounts.

NOTE 11: CONTRACT ASSETS

	2020 $	2019 $
Contract assets	135,486	223,380
	135,486	223,380

NOTE 12: OTHER ASSETS

	2020 $	2019 $
(a) OTHER ASSETS - CURRENT		
Deposits	39,401	30,157
Prepayments	681,347	548,848
Other	170,312	170,312
	891,060	749,317
(a) OTHER ASSETS – NON-CURRENT		
Deposits	583,159	545,407
Other	353,928	524,117
	937,087	1,069,524

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements $	Office Equipment & Software $	Total $
At 30 June 2020	862,984	1,213,100	2,076,084
Cost	(602,450)	(854,072)	(1,456,522)
Accumulated depreciation	260,534	359,028	619,562
At 30 June 2019	865,145	1,367,503	2,232,648
Cost	(420,327)	(928,967)	(1,349,294)
Accumulated depreciation	444,818	438,536	883,354

Reconciliation of carrying amounts at the beginning and end of the year:

	Leasehold Improvements $	Plant and Equipment $	Total $
At 1 July 2019	444,818	438,536	883,354
Additions[1]	-	203,902	203,902
Disposals	-	(14,539)	(14,539)
Depreciation	(182,337)	(263,870)	(446,207)
Foreign currency translation differences	(1,947)	(5,001)	(6,947)
At 30 June 2020	260,534	359,028	619,563

[1]$94,197 plant and equipment asset were acquired on 1st September 2019 as part of the acquisition of Wardy IT Solutions.

At 1 July 2018	482,399	410,000	892,399
Additions	116,752	282,625	399,377
Disposals	-	(11,584)	(11,584)
Depreciation	(154,333)	(246,045)	(400,378)
Foreign currency translation differences	-	3,540	3,540
At 30 June 2019	444,818	438,536	883,354

NOTE 14: INTANGIBLE ASSETS

	2020 $	2019 $
Goodwill on acquisition of TETRAN Group	-	9,339,308
Goodwill on acquisition of Skoolbag	-	3,942,630
Goodwill on acquisition of Wardy IT Solutions	1,500,798	-
Intangible Property Acquired Skoolbag	339,153	488,196
	1,839,951	13,770,134
Intangible Property – Skoolbag software development -cost	2,444,851	1,441,875
Intangible Property – Skoolbag software development – accumulated depreciation	(484,465)	(195,754)
	1,960,386	1,246,121
Intangible Property - Wardy IT Solutions acquired customers	9,946,906	-
Intangible Property - Wardy IT Solutions acquired customers – accumulated depreciation	(2,368,311)	-
Intangible Property - Wardy IT Solutions acquired website	5,000	-
Intangible Property - Wardy IT Solutions acquired website – accumulated depreciation	(4,167)	-
Intangible Property - Wardy IT Solutions acquired intangible	600,000	-
Intangible Property - Wardy IT Solutions acquired intangible – accumulated depreciation	(100,000)	-
	8,079,428	-
	11,879,765	15,016,255

Reconciliation of carrying amounts at the beginning and end of the year:

	Skoolbag software development $	Wardy IT Solutions Intangible $
At 1 July 2019	1,246,121	-
Additions[1]	1,002,976	10,551,906
Disposals	-	-
Amortisation	(288,711)	(2,472,478)
At 30 June 2020	1,960,386	8,079,428

[1]$10,551,906 intangible assets were acquired on 1st September 2019 as part of the acquisition of Wardy IT Solutions.

At 1 July 2018	563,178	-
Additions	858,134	-
Disposals	-	-
Amortisation	(175,191)	-
At 30 June 2019	1,246,121	-

NOTE 14: INTANGIBLE ASSETS (continued)

Impairment Testing:

Due to the uncertainty around the impact of the COVID-19 pandemic, a decision was taken to fully impair the TETRAN and Skoolbag goodwill of $13,281,938. Goodwill arising from a business combination is allocated to CGUs (cash generating units) or groups that are expected to benefit from the synergies of the combination. Accordingly, Wardy IT Solutions' CGU has been combined with certain MOQdigital income. For the purposes of impairment testing, goodwill and acquired customer relationships (which is being amortised over 3.5 years) has been allocated to MOQ's CGUs as follows. The goodwill amount for Wardy IT Solutions is $1,500,798 which is being split evenly across Professional Services and Managed Services:

	2020 $	2019 $
Skoolbag*	2,299,539	1,734,317
Wardy IT Solutions – Professional Services	4,039,714	
Wardy IT Solutions – Managed Services	4,039,714	
	10,378,967	1,734,317

The Skoolbag 2019 CGU amount is entirely related to the software development and the acquired customer relationships.

The recoverable amounts were based on fair values estimated using discounted cash flows.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represents management's assessment of future trends in the ICT industry and have been based on data from both external and internal sources.

Skoolbag	2020
Discount rate	11%
Terminal Value Growth Rate	2.5%
Wardy IT Solutions	**2020**
Discount rate	11%
Terminal Value Growth Rate	2.5%

The discount rate was a post-tax measure estimated based on a conservative mix of historical weighted average cost of capital and debt.

The cashflow projections included specific estimates for 3 years for Wardy IT Solutions and 3 years for Skoolbag. The basis of estimation of the three-year cash flows uses the following key operating assumptions:

- Three year budgeted EBITDA is based on management's forecasts of revenue from its operating segments. Revenue forecasts take into account historical revenue and consider external factors such as market sector.
- Costs are calculated taking into account historical margins, known increases, the impact of COVID-19 and estimated inflation rates over the period.

The estimated recoverable amount of the CGUs exceeded their carrying amounts by $9.8 million for Wardy IT Solutions – Professional Services, $19.1m for Wardy IT Solutions – Managed Services and $7.1m for Skoolbag . Management recognises that actual results (EBITDA) may vary to what has been estimated. Management has identified that a possible change in either of two key assumptions could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which these two assumptions would need to change individually for the estimated recoverable amount to be equal to the carrying amount.

	Wardy IT Solutions - Managed Services 2020	Wardy IT Solutions - Professional Services 2020	Skoolbag 2020
Discount Rate	39%	25%	40%
Average Budgeted EBITDA growth rate	30%	13%	(14%)

NOTE 15: TRADE AND OTHER PAYABLES

	2020 $	2019 $
Trade creditors	3,680,400	7,020,552
Other payables and accrued expenses*	5,222,145	1,942,485
	8,902,545	8,963,037

* Included in other payables is an amount of $2,612,306 provided for in respect of the Wardy earn-out. Please refer to Note 31 for more details.

There are no trade and other payables that are considered past due.

NOTE 16: CONTRACT LIABILITIES

	2020 $	2019 $
CURRENT		
Contract liabilities – subscription, consulting and licenses	4,170,625	2,891,056
	4,170,625	2,891,056

NOTE 17: PROVISIONS

	2019 $	2018 $
CURRENT		
Employee entitlements	1,643,389	1,013,140
- Provision for Annual Leave	1,117,406	758,593
- Provision for Long Service Leave	2,760,795	1,771,733
NON-CURRENT		
Employee entitlements	221,645	159,224
- Provision for Long Service Leave	170,000	-
- Provision for Makegood	391,645	159,224

Employee provisions includes the total amount accrued for annual leave entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the company does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the company does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

NOTE 18: SHARE CAPITAL

(a) Details of share issues

	2020		2019	
	No. Of Shares	Share Value $	No. Of Shares	Share Value $
Balance at the beginning of the year	**161,320,702**	**49,615,752**	**161,320,702**	**49,615,752**
Acquisition of Wardy IT Solutions	**16,142,939**	**3,874,305**	**-**	**-**
Balance at the end of the year	**177,463,641**	**53,490,057**	**161,320,702**	**49,615,752**

For the 2020 financial year:

Holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at shareholder meetings, otherwise each member present at a meeting or by proxy has one vote on a show of hands. In the event of the winding up of the Company, ordinary shareholders rank after creditors and share in any proceeds on winding up in proportion to the number of shares held.

(b) Options

	Balance at 30/06/2020	Balance at 30/06/2019	Exercise price	Expiry
Unlisted	2,436,358	3,690,901	$0.275	01/09/2020
Unlisted	2,109,088	4,036,358	$0.255	01/07/2022
Total	4,545,446	7,727,259		

A summary of the movements of all company options issues is as follows:

	No. of Options	Weighted Average Exercise Price
Options outstanding at 30 June 2019	**7,727,259**	**$0.265**
Granted	-	-
Forfeited	3,181,813	$0.263
Exercised	-	-
Expired	-	-
Options outstanding at 30 June 2020	**4,545,446**	**$0.266**
Options exercisable as at 30 June 2020	2,436,358	$0.275

The weighted average life of the outstanding share options at 30 June 2020 is 1.13 years.

	No. of Options	Weighted Average Exercise Price
Options outstanding at 30 June 2018	**3,690,901**	**$0.275**
Granted	4,036,358	$0.255
Forfeited	-	-
Exercised	-	-
Expired	-	-
Options outstanding at 30 June 2019	**7,727,259**	**$0.265**
Options exercisable as at 30 June 2019	1,804,951	$0.275

NOTE 18: SHARE CAPITAL (continued)

(d) Capital management

Management controls the capital of the Group in order to generate long-term shareholder value and ensure that the Group can fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital supported by financial assets.

The Group is not subject to any externally imposed capital requirements.

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

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

NOTE 19: RESERVES

	2020 $	2019 $
Reserves at the beginning of financial year	285,277	141,766
Option Premium Reserve[1]	(6,381)	197,566
Foreign Exchange Translation Reserve	(9,215)	(54,055)
Reserves at end of financial year	269,681	285,277

[1] Refer to note 18(b) for details of options outstanding at 30 June 2020

NOTE 20: ACCUMULATED LOSSES

	2020 $	2019 $
Accumulated losses at beginning of financial year	(28,608,078)	(30,896,102)
Net (loss) /profit for the year after income tax	(14,490,519)	2,288,024
Change in accounting policy AASB16	(138,538)	-
Accumulated losses at end of financial year	(43,237,135)	(28,608,078)

NOTE 21: FRANKING CREDITS

	2020 $	2019 $
Franking credits available for subsequent financial years based on a tax rate of 30%	1,130,447	964,270

NOTE 22: KEY MANAGEMENT PERSONNEL DISCLOSURE

	2020 $	2019 $
Compensation received by key management personnel of the consolidated entity:		
Short term employee benefits	1,511,717	1,210,155
Cash bonus and other payments	26,000	81,000
Other long-term employee benefits	3,168	9,238
Post employment benefits	128,048	108,528
	1,668,933	1,408,921

Short-term employee benefits

These amounts include fees and benefits paid to the non-executive Chair and non-executive directors as well as all salary, paid leave benefits, fringe benefits and cash bonuses awarded to executive directors and other KMP.

Other payments

These amounts represent cash bonus and commissions payments awarded to KMP.

Other long-term benefits

These amounts represent long service leave benefits accruing during the year, long-term disability benefits, deferred bonus and share based payments.

Post-employment benefits

These amounts are the current-year's estimated cost of providing for the Group's superannuation contributions made during the year.

Further information in relation to KMP remuneration can be found in the directors' report.

NOTE 23: RELATED PARTY TRANSACTIONS

(a) The Group's main related parties are as follows:

(i) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel.

For details of disclosures relating to key management personnel, refer to Note 22.

(ii) Other related parties:

Other related parties include entities over which key management personnel have joint control.

(b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

During the year PWJAW Holdings PTY Ltd, a company of which Peter Ward is a director, was engaged to supply HR services. Fees of $21,875 we paid to PWJAW Holdings Ltd. No amounts were outstanding as at 30 June 2020.

During the year, Monash Private Capital was engaged at an arm's length basis to consult on various acquisition opportunities. Consulting fees were paid to Monash of $355,043, including a success fee relating to the acquisition of Wardy IT Solutions. No amounts related to these services were outstanding as at 30 June 2020.

(c) Loans to/from related parties:

There are no amounts outstanding or payable to related parties as at 30 June 2020 (2019: $Nil).

NOTE 24: AUDITOR'S REMUNERATION

	2020 $	2019 $
Amounts paid / payable to Stantons International for audit and review work undertaken under the *Corporation Act 2001*	104,371	94,500
Amounts paid / payable to Ernst and Young for audit and review work undertaken in Sri Lanka	5,066	8,946
	109,437	103,446

NOTE 25: CONTINGENT LIABILITIES AND CONTINGENT ASSETS

The company has accrued an estimated amount in relation to the earn-out of Wardy. As the earn-out period only finishes on 31 August 2020, there is a potential that the final amount payable will be different to the estimate. For more information, please see note 29.

NOTE 26: CAPITAL AND LEASING COMMITMENTS

	2020 $	2019 $
(a) Operating lease commitments		
Payable - minimum lease payments	667,529	706,978
- not later than 1 year	1,800,576	2,310,380
- later than 1 year and not later than 5 years	2,468,105	3,017,358
(b) Right of use assets and lease liabilities		
Right of use asset		
Cost	3,581,875	-
Accumulated depreciation	(1,307,112)	-
	2,274,763	-
Reconciliation of carrying amounts at the beginning and end of the year:		
As at 1 July 2019	-	-
Adjustment of changes in accounting policy	2,728,335	-
Additions[1]	287,648	
Depreciation	(741,220)	
As at 30 June 2020	2,274,763	-

[1] $287,648 right of use asset were acquired on 1st September 2019 as part of the acquisition of Wardy IT Solutions.

	2020 $	2019 $
Lease liabilities		
Current	(620,652)	-
Non Current	(1,737,893)	-
	(2,385,585)	-

NOTE 27: (LOSS) / EARNINGS PER SHARE

	2020 $	2019 $
(a) Basic earnings per share (cents per share)		
From continuing operations	(8.30)	1.42
(b) Diluted (loss) / earnings per share (cents per share)		
From continuing operations	(8.30)	1.35
(c) Reconciliation of (loss) / earnings in calculating earnings per share		
Basic and diluted profit per share		
Profit from continuing operations attributable to ordinary equity holders	(14,490,519)	2,288,024
(d) Total shares		
Weighted average number of ordinary shares outstanding during the year used in the calculation of basic earnings per share	174,640,832	161,320,702
Weighted average number of ordinary shares outstanding during the year used in the calculation of diluted earnings per share	174,640,832	169,047,961

NOTE 28: CASH FLOW INFORMATION

Reconciliation of net cash provided by operating activities to net profit after tax

	2020 $	2019 $
(Loss) /profit for the period after tax	(14,490,519)	2,288,023
Add back: Income tax (benefit) / expense	(128,685)	(1,659,410)
Profit for the period before tax	(14,619,204)	628,613
Non cashflows and non-operating cashflows in profit:		
Depreciation / Amortisation	4,107,006	724,612
Share option expense	(6,381)	197,566
Impairment of investments	13,281,938	-
Change in assets and liabilities:		
Decrease / (Increase) in trade debtors	2,885,108	278,620
Decrease / (Increase) in contract assets	273,764	232,210
Decrease / (Increase) in other current assets	(46,723)	742,636
Increase / (Decrease) in payables	(3,170,838)	581,665
Increase / (Decrease) in contract liabilities	334,848	(129,952)
Increase / (Decrease) in provision for employee entitlements	516,660	117,311
Cash flow from operations	3,556,178	3,373,281

NOTE 29: ACQUISITION OF WARDY IT SOLUTIONS

On 12 August 2019, the Company announced that it had signed a binding heads of agreement to acquire 100% of the issued capital of Wardy IT Solutions Pty Ltd.

On 4 September 2019, the Company announced that it had acquired 100% of the shares of Wardy IT Solutions Pty Ltd following the settlement of the transaction.

Details of the business combination is as follows:

Fair value of consideration for businesses acquired	$
Amount settled in cash and shares	**8,408,261**
Cash and cash equivalents	100
Work in progress	185,870
Prepayments	95,143
Right of use assets	278,811
DTA	527,505
Property, plant and equipment	94,197
Acquired Customer Contracts	9,946,906
Software	600,000
Websites	5,000
Total Assets	**11,733,532**
Trade and other payables	(584,823)
Deferred income	(944,721)
Lease liability	(228,811)
Deferred Tax Liability	(3,067,715)
Total Liabilities	**(4,826,070)**
Identifiable net assets	**6,907,462**
Goodwill on acquisition	**1,500,799**
Consideration settled in cash	1,921,650
Cash and cash equivalents acquired	100
Net cash paid in relation to acquisition	**1,921,550**

Acquisition costs are not included as part of consideration transferred and have been recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, as part of other expenses.

In relation to the acquisition of Wardy IT Solutions, based on the achievement of certain performance criteria for the 12 months ending 31 August 2020, there could be up to $6m payable in a mix of cash and shares. Based on current information available and external advice, MOQ management's best estimate is that consideration of $2.6m will be payable, and has been provided for accordingly. As the performance period has not ended yet, there is the potential that the final amount payable may differ from this estimate.

	Wardy IT Solutions $
Financial period	1 September 2019 – 30 June 2020
Summarised Financial Performance	
Revenue	11,139,324
Profit before tax	1,344,663
Profit after tax	1,182,527
Other comprehensive income after tax	-
Total comprehensive income	1,182,527
Profit/(loss) attributable to non-controlling interests	-

NOTE 30: SHARE BASED PAYMENTS

There were no share-based payments during the year, however in the prior year, the assessed fair value of the 4,036,358 options granted during was $281,249 as calculated at the date of grant using the Black-Scholes model for the valuation of call options, the inputs of which included:

No of options	4,036,358
Grant date	1 July 2018
Exercise by	1 July 2022
Expected average life of the options	4 years
Exercise price per share	25.5 cents
Share price at grant date	24 cents
Expected volatility	46.78%
Risk-free interest rate	2.28%
Value of options at grant date	$281,249

During the FY20 financial year, 3,181,813 share options were forfeited without vesting and accordingly, an expense of $134,290 was reversed.

Further details regarding share based payments to key management personnel can be found in the audited Remuneration

Report set out in the Director's Report.

NOTE 31: CONTROLLED ENTITIES

			Equity holding	
Name of entity	Country of Incorporation	Class of Shares	2020	2019
iimage Technical Services Pty Ltd	Australia	Ordinary	100%	100%
TETRAN Pty Ltd	Australia	Ordinary	100%	100%
MOQdigital NZ Limited	New Zealand	Ordinary	100%	100%
MOQdigital Asia Pacific (PVT) Limited	Sri Lanka	Ordinary	100%	100%
MOQdigital Pty Ltd	Australia	Ordinary	100%	100%
Coral Communities Pty Ltd	Australia	Ordinary	100%	100%
Wardy IT Solutions Pty Ltd	Australia	Ordinary	100%	-

* Coral Communities Pty Ltd was incorporated on 2 April 2019
** Wardy IT Solutions was acquired on September 2019

NOTE 32: EVENTS SUBSEQUENT TO REPORTING DATE

On 21 August 2020, the Company issued a Notice of Meeting for an Extraordinary General Meeting to be held on 22 September 2020 to consider and vote on its Employee Option Plan, and the cancellation and re-issue of Employee Options.

END OF AUDITED STATEMENTS

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of MOQ Limited (the "Company"), the directors of the company declare that:

1. In the opinion of the directors of the Company, the financial statements and notes, as set out on pages 18 to 48 are in accordance with the *Corporations Act 2001* and
   i. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
   ii. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the consolidated group;
2. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;
3. the audited remuneration disclosures set out on pages 11 to 16 of the directors' report comply with accounting standard AASB 124 *Related Party Disclosures* and the Corporation Regulations 2001; and
4. the directors have been given the declarations required by s 295A of the *Corporations Act 2001* from the Chief Executive Officer.

On behalf of the Directors

David Shein
Non Executive Chairman
27 August 2020

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

27 August 2020

Board of Directors
MOQ Limited
Suite 1, Ground Floor
3-5 West Street,
North Sydney NSW 2060

Dear Directors

RE: MOQ LIMITED

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of MOQ Limited.

As Audit Director for the audit of the financial statements of MOQ Limited for the year ended 30 June 2020, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Yours sincerely

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Samir Tirodkar
Director

Stantons International Audit and Consulting Pty Ltd
trading as
Stantons International
Chartered Accountants and Consultants

PO Box 1908
West Perth WA 6872
Australia

Level 2, 1 Walker Avenue
West Perth WA 6005
Australia

Tel: +61 8 9481 3188
Fax: +61 8 9321 1204

ABN: 84 144 581 519
www.stantons.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
MOQ LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of MOQ Limited the Company and its subsidiaries ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

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

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

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: Code of Ethics for Professional Accountants (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

We have determined the matters described below to be Key Audit Matter to be communicated in our report.

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.

Key Audit Matters	How the matter was addressed in the audit
Carrying Value of Intangibles As at 30 June 2020, Intangibles totalled $11,879,765 (refer to Note 14 of the financial report). The carrying value of Intangibles assets is a key audit matter due to: • The significance of the intangibles representing 37% of total assets; • The necessity to assess management's application of the requirements of the accounting standard Intangible Assets ("AASB 138"), in light of any indicators of impairment that may be present; and • The assessment of significant judgements made by management in relation to the preparation of future budgets and their impact on the impairment models prepared.	Inter alia, our audit procedures included the following: i. Initial discussions with management prior to the commencement of the final audit on the impact of Covid 19 on individual CGU's (Cash generating Units); ii. Requested the Group complete an impairment review in line with AASB 138 and Impairment of Assets (AASB 136), reviewed their assumptions for reasonableness and satisfied ourselves that of impairments required; iii. Consideration of the requirements of accounting standard AASB 136 and reviewed the financial statements to ensure appropriate disclosures are made.

Key Audit Matters	How the matter was addressed in the audit
Business Combination – Acquisition of Wardy IT Solutions Pty Ltd. During the year, the Company acquired 100% issued capital Wardy IT Solutions Pty Ltd. The acquisition has been disclosed in Note 29 to the financial report and was considered a key audit matter due to: • The significance of the transaction ($6.9 million net asset acquisition); and • The judgement required in the application of AASB 3 Business Combinations ("AASB 3"). AASB 3 required the Group to determine, if the transaction is an asset acquisition or a business combination and the fair value of considerations transferred and the identifiable assets and liabilities acquired as part of the acquisition.	Inter alia, our audit procedures included the following: i. Examining the contract for the acquisition of Wardy IT Solutions Pty Ltd; ii. Reviewing and assessing the determination made by the Company whether the transaction is an asset acquisition or a business combination; iii. Assessing the fair value of consideration paid for the acquisition including the assumptions required to calculate the earn out consideration; iv. Examining the net assets of Wardy IT Solutions Pty Ltd as at the date of acquisition; and v. Considering the adequacy of the financial report disclosures contained in Note 29 in relation to AASB 3.

Other Information

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

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in Internal control that we identify during our audit.

The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements. We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 20 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of MOQ Limited for the year ended 30 June 2020 complies with section 300A of the Corporations Act 2001.

Responsibilities

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

STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD
(Trading as Stantons International)
(An Authorised Audit Company)

Stantons International Audit and Consulting Pty Ltd

Samir Tirodkar
Director
West Perth, Western Australia
27 August 2020

The following information is current as at 27 August 2020

ORDINARY SHARES

177,463,641 fully paid ordinary shares held by 695 individual shareholders. All ordinary shares carry one vote per share.

UNQUOTED OPTIONS

The Company has on issue:

- 2,436,358 options exercisable at 27.5 cents expiring on 1 September 2020 amongst MOQ employees.
- 2,109,088 options exercisable at 25.5 cents expiring on 1st July 2022 amongst MOQ employees.

Options do not carry any votes

DISTRIBUTION OF HOLDERS FULLY PAID ORDINARY SHARES

Category	Number of holders	Number held	% of issued shares
100,001 and Over	108	166,255,669	93.68
10,001 to 100,000	233	10,630,805	5.99
5,001 to 10,000	49	397,617	0.22
1,001 to 5,000	51	151,036	0.09
1 to 1,000	254	28,514	0.02
Total	**695**	**177,463,641**	**100.00**

The number of holders who held less than a marketable parcel of shares was nil.

SUBSTANTIAL SHAREHOLDERS

The names of substantial shareholders who have notified the Company in accordance with Section 671B of the Corporations Act are:

Holder	A/C designation	No. of ordinary shares	% of issued shares
VIBURNUM FUNDS PTY LTD		21,571,214	12.16
MONASH PRIVATE CAPITAL PTY LTD		18,228,334	10.27
MR SCOTT MCPHERSON	<SCOTT MACPHERSON FAMILY A/C>	17,655,978	9.95
MS KATHY LOUISE EDWARDS	<JOKAT INVESTMENT A/C>	17,655,978	9.95
PWJAW PTY LTD	THE WARD DEARNESS FAMILY	14,125,072	7.96
CHALLENGER LIMITED (AND ITS ENTITIES)		9,388,456	5.29

TOP 20 HOLDERS OF EQUITY SECURITIES

Rank	Name	27 Aug 2020	%IC
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	24,087,546	13.57
2	MONASH PRIVATE CAPITAL PTY LTD	18,228,334	10.27
3	MR SCOTT MCPHERSON	17,655,978	9.95
4	MS KATHY LOUISE EDWARDS	17,655,978	9.95
5	PWJAW PTY LTD	14,125,072	7.96
6	MATTHEW CHARLES GOGGIN & ROMILY JANE GOGGIN	8,827,989	4.97
7	CITICORP NOMINEES PTY LIMITED	7,003,254	3.95
8	ANACACIA PTY LIMITED	4,174,883	2.35
9	MOAT INVESTMENTS PTY LTD	4,000,000	2.25
10	MR DON AMAL NANAYAKKARA	3,981,908	2.24
11	KOMATIE PTY LTD	3,025,000	1.70
12	DAVCOL NOMINEES PTY LTD	2,500,001	1.41
13	NATIONAL NOMINEES LIMITED	2,387,433	1.35
14	UNITED EQUITY PARTNERS PTY LTD	2,130,000	1.20
15	HOLLOWAY COVE PTY LTD	2,050,000	1.16
16	ICON PACIFIC SERVICES PTY LTD	2,017,867	1.14
17	MAST FINANCIAL PTY LTD	1,750,000	0.99
18	JARREN INVESTMENTS PTY LTD	1,583,334	0.89
19	INFLECTION INVESTMENTS PTY LTD	1,227,603	0.69
20	MR KAI MYSLIWIECZ	1,135,625	0.64
	Total	**139,547,805**	**78.63**
	Grand total	**177,463,641**	**100.00**

MOQ