Kyckr Limited

Annual Report 2019

Kyckr

Kyckr Limited
ABN 38 609 323 257
kyckr.com

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Non-Executive Chairman and CEO Report

BENNY HIGGINS
Non-Executive
Chairman of the Board

IAN HENDERSON
Chief Executive Officer

Dear shareholders,

On behalf of the Board of Kyckr Limited (Kyckr or the Company), it is my pleasure to present the annual report for the year ended 30 June 2019.

This past year has been a year of evolution for Kyckr with the appointment of Mr Ian Henderson as new CEO and with the launch of the new Kyckr.com platform, in conjunction with the Company's expansion across several key areas to strengthen its customer value proposition.

> **This past year has been a year of evolution for Kyckr.**

Building on the rapid growth of KYC in the global RegTech Industry

This is an exciting time for Kyckr as Know-Your-Customer (KYC) and Anti-Money-Laundering (AML) efforts are rapidly increasing, with a twenty-fold surge in suspicious activity reporting between 2012 and 2017.

Regulators are encouraging the industry to embrace emerging technologies and analytics to improve KYC and AML policies, recognising the necessity of automation for an adequate compliance regime, including automated identity verification during the customer onboarding process.

Kyckr's Know-Your-Customer technology helps solve this, providing companies with real time access to data to verify the identity of their customers and enable users to instantly find company profiles, credit reports and fillings to meet regulatory requirements and prevent financial crime.

Kyckr is confident growth will accelerate on the back of increased compliance requiring legally authoritative information direct from registries, which can be found through its single source platform for customer identification, accessing real time data from over 200 registries in 120 countries.

Financial Overview

Kyckr delivered revenue of $2.14 million for FY19 across our range of B2C online, post-billed online sales and enterprise solutions. This represents an increase of more than 25% over the full prior year.

Online sales revenue grew 45% to $1.49 million in FY19 across B2C and post-billed Kyckr platforms. Enterprise revenue for the year is $0.65m, a decrease of 7% on the previous corresponding period.

To improve enterprise revenue growth in FY20, Kyckr is focussing on collaborating with firms across the financial, data and technology space, to leverage on its expertise and unique access to real-time registry data.

Together with our online strategy, we look to continue our forward momentum and collaborate exclusively with firms looking to transform the quality of their data and accelerate the development of automation onto their clients and suppliers.

Financial Highlights

REVENUE FOR FY19

↑ **25%**

ON FY18

ONLINE REVENUE

↑ **45%**

ON FY18

Our Achievements

$5.2 million raised via a share placement

Kyckr announced the successful completion of a Placement from new and existing institutional and private investors to raise A$5.2 million (before costs). The Placement occurred via a two tranche Placement, with the second tranche approved at the extraordinary general meeting (EGM) held in September 2019.

As Kyckr continues to scale up, the proceeds from the Placement will be used to accelerate the Company's global commercialisation activities and will be applied towards additional resources (Business Development and Account Management), continued investment of Kyckr's products and general working capital purposes.

Kyckr signs agreement with global data platform provider DemystData

Kyckr announced that it has signed a 2-year data provider agreement with global data platform DemystData.

DemystData are a leading provider and platform for integrating data, providing financial institutions with API access to discover, access and test corporate data in combatting fraud, strengthening compliance and reducing data managements costs.

Founded in 2010 and with offices in New York, Singapore, Hong-Kong and Melbourne, Demyst has over 30 clients, including tier-one banks, insurers, and lenders across the US and Asia Pacific.

This agreement will allow the Kyckr API to be accessible by existing and future Demyst API customers.

The addition of Kyckr's API will help Demyst customers seamlessly evaluate, test and use the Kyckr network of real-time registry information via the Demyst platform. The platform allows customers to test the data in a secure sandbox environment and helps reduce both onboarding times and cost.

Additionally, Demyst will market the addition of the Kyckr API to their existing customer base, promoting Kyckr's automation expertise to further financial institutions globally.

Strengthened executive team to drive the business

The management team was strengthened during the year with senior hires including Ian Henderson joining as Chief Executive Officer (CEO) of Kyckr from 1 January 2019. Ian brings more than 30 years of financial services and banking experience, having held the roles of former CEO of RBS International and of UK-based Shawbrook Bank where he drove both companies' profitability during his tenure.

The Board and I are confident that Ian's proven track record in growing businesses will be integral to leading the commercialisation of Kyckr's Know-Your-Customer solutions. Ian is based in London in proximity to the Company's key markets in the main global financial hubs.

Launch of improved digital platform to accelerate online growth

In May, we announced the much anticipated launch of our new digital platform www.kyckr.com to provide an improved user experience and functionality for customers. The Kyckr online platform is one of the largest KYC platforms for customer identification worldwide.

The platform has experienced rapid growth in new registrations in the last twelve months with online revenue increasing consistently year on year, up 41% in FY19 compared to FY18.

KYCKR ONLINE REGISTRATIONS

41% ↑

IN FY19 COMPARED TO FY18

Powered by Microsoft Azure technology, the Kyckr.com platform debuts an all-new mobile responsive design centred around client needs and behaviours, with quick search dropdowns, improved administration features, dashboard functionality and increased information on our range of compliance solutions. The launch of the new platform has already been well received by users, capturing positive feedback and showing strong subscriber growth.

The platform plays a key role in supporting our plans to increase leads, users and sales and we expect strong revenue growth from this channel.

> **The Kyckr online platform is one of the largest KYC platforms for customer identification worldwide.**

Focus on establishing strategic partnerships with global data providers

Under the new leadership team, Kyckr's strategy is to grow strategic partnerships with firms across the financial, data and technology sectors who are looking to accelerate the development of automation for their clients and suppliers and embed Kyckr's unique registry network. We see strategic partnerships as a natural, progressive step in capitalising on Kyckr's breadth of technologies and real-time global data. As a result, the Company has been in discussions with a number of global data providers to collaborate together and create new revenue streams. illion to resell Kyckr's real-time, global registry data solutions to new and existing clients in Australian and New Zealand. We will continue to explore additional opportunities to forge these partnerships in the future.

New agreement to provide data to ESC

Discussions with strategic partners have resulted in a collaboration agreement with ESC Corporate Services Ltd (ESC). ESC is a leading facilitator of corporate legal and public records search/registration services to over 8,000 banks, law firms, fin-techs, and institutions across Canada. ESC delivers solutions uniting public record data, customer authentication and collateral management services to support the lending practices of clients with businesses across Canada.

The three-year agreement enables ESC to access US data from the Kyckr global registry network. Kyckr will commence services immediately and we will work with ESC to identify opportunities to generate uptake of our range of solutions for ESC and its client base.

Enterprise client Bank of Ireland extends service for three years

We continue to commercialise our relationships with key customers and during the period we announced the extension of services to leading Irish bank, Bank of Ireland, for a period of three years to September 2021. The agreement is for a minimum contractual commitment of A$660k (€405k) over the period to provide Corporate Know-Your-Customer Due Diligence Services.

Bank of Ireland has been an early adopter and enterprise client of Kyckr since 2015 and the new agreement is a validation of Kyckr's technology by a blue-chip client.

Kyckr's offering continues to be used by a diversified range of blue-chip clients including Bloomberg, Citigroup, IBM and Bank of Ireland.

Expertise grows with appointment of Non-Executive Directors

During the year we also strengthened our Board with the appointment of senior compliance executives Ms Jacqueline Kilgour and Ms Karina Kwan as Non-Executive Directors.

Ms Kilgour brings more than 30 years' financial services experience in regulatory compliance, risk management, anti-money laundering (AML) and corporate governance matters. She has successfully dealt with companies and regulators across the UK, Europe and the US.

Ms Kilgour previously held the role of Managing Director in Citigroup's Corporate and Investment Banking division in New York where she had responsibility globally for anti-money laundering, and compliance for Global Transaction Services in over 100 countries. Ms Kilgour also held the role of European General Counsel and Company Secretary for Instinet, the institutional agency-only broker segment of Nomura Group, where she was responsible for legal, compliance and corporate governance in Europe and Asia-Pacific.

Ms Kwan brings more than 30 years' experience in the financial services industry, most recently as General Manager of Group Support Services Finance at the Commonwealth Bank of Australia. She also held the roles of Chief Financial Officer at Citigroup Australia and New Zealand. Ms Kwan's exceptional expertise in risk and corporate governance, in-depth exposure to international regulation and her established relationships with C-suite compliance personnel, will be a valuable asset to the Company.

As part of the Board changes, Albert Wong stepped down as Non-Executive Director, and Benny Higgins moved into a Non-Executive Chairman role, commencing 1 January 2019.

Outlook

Looking ahead, our forward strategy is shaped by our commitment to innovate and evolve our solutions and services. As regulatory requirements and anti-money laundering obligations only increase, we remain alert to how we continue to support our clients in the AML and KYC space.

We expect to build continued growth from the recent launch of our web-based platform, and we are also looking to engage strategic partners, targeting collaborations that complement and help drive opportunities for further expansion.

Whilst our year has not been without its challenges, we have made significant progress and we will continue to lay a solid foundation to create sustainable value for our clients, shareholders and investors. The Company has a clear strategy to deliver strong technology and data to help clients with compliance requirements, and the appointment of Ian Henderson as the new CEO will play a vital role in the operations and delivery across Kyckr's key markets.

On behalf of the Board, I would like to thank all our shareholders, staff and clients for their ongoing loyalty and support.

Benny Higgins

Non-Executive Chairman, Kyckr
27 September 2019

Ian Henderson

Chief Executive Officer, Kyckr
27 September 2019

Directors	Benny Higgins Benjamin Cronin Robert Leslie John Van Der Wielen Karina Kwan Jacqueline Kilgour
Company secretary	Karl Pechmann
Notice of annual general meeting	The details of the annual general meeting of Kyckr Limited are: Monday, 18 November 2019, 9:00am, at: Level 16, 1 Market Street Sydney NSW 2000
Registered office	Level 6, 36 Grosvenor Street Sydney NSW 2000
Principal place of business	Level 6, 36 Grosvenor Street Sydney NSW 2000
Share register	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000
Auditor	Nexia Sydney Partnership Level 16, 1 Market Street Sydney NSW 2000
Stock exchange listing	Kyckr Limited shares are listed on the Australian Securities Exchange (ASX code: KYK)
Business objectives	Kyckr Limited has used cash and cash equivalents held at the time of listing and the time since listing to provide technology solutions to help protect against money laundering, fraud and tax evasion, in a way consistent with its stated business objectives. Kyckr aims to provide the pre-eminent automated technology solution to maintain up to date critical company identity information, in place of the traditional error and fraud prone manual people based processes.
Corporate Governance Statement	The directors and management are committed to conducting the business of Kyckr Limited in an ethical manner and in accordance with the highest standards of corporate governance. Kyckr Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Third Edition) (‘Recommendations’) to the extent appropriate to the size and nature of its operations. The Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any Recommendations that have not been followed, was approved by the Board of Directors at the same time as the Annual Report and can be found on the 'About us' page at http://www.kyckr.com/

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') consisting of Kyckr Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2019.

Directors
The following persons were directors of Kyckr Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Benny Higgins - Non-Executive Chairman
Mr Benjamin Cronin - Executive Director
Mr Robert Leslie - Non-Executive Director
Mr John Van Der Wielen - Non-Executive Director
Ms Karina Kwan - Non-Executive Director (appointed on 19 November 2018)
Ms Jacqueline Kilgour - Non-Executive Director (appointed on 18 February 2019)
Mr Albert YL Wong - Non-Executive Director (resigned on 19 November 2018)

Principal activities
The principal activity of the Group during the period consisted of the provision of data and technology solutions to accelerate customer acquisition and protect against money laundering, fraud and tax evasion. Kyckr's solutions are connected to over 200 regulated primary sources, in over 120 countries, providing real-time company registry information for an estimated 80 million businesses globally. Kyckr provides automated technology solutions to improve the efficiency and effectiveness of Corporate Know Your Client ('KYC') processes.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $6,125,773 (30 June 2018: $3,547,445).

Refer to the Chairman's and Chief Executive Officer's Report for further detail.

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

Matters subsequent to the end of the financial year
On 7 August 2019, the company issued 32,350,159 ordinary shares at a price of $0.066 per share to institutional and sophisticated investors. The total proceeds from the issuance of these securities amounted to $2,135,110.

On 13 September 2019, shareholders ratified the issue of securities at the Extraordinary General Meeting. In accordance with the approval by shareholders, the company issued 46,000,000 ordinary shares at a price of $0.066 per share to institutional and sophisticated investors. The total proceeds of the issuance of these securities amounted to $3,036,000.

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

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity are included in the Chairman's and Chief Executive Officer's Report on pages 2 to 7.

The Directors have identified the following business risks which may impact on the future performance of the Group:

Competition
The Group's intellectual property rights are not protected by any registered patents in any jurisdiction. This may allow competitors to develop products functionally similar to the Group's existing products. The existence of competitors with products that are functionally similar to the Group's existing products could result in loss of customers and decline in revenue, each of which could adversely affect the Group's business and operating results.

Key Personnel Risk
The successful execution of the Group's business model depends on a management team with the necessary talent and experience to integrate and manage the Group's growth plans. The loss of key management personnel could adversely affect the Group's business, results of operations or financial conditions and performance.

Current and Exchange Rate Fluctuations
The financial contribution of the Group will depend on the movement in exchange rates between the Australian Dollar and a number of other foreign currencies. The exchange rate between various currencies may fluctuate substantially and the result of these fluctuations may have an adverse impact on the Group's operating results and financial position. The Group does not enter into forward exchange contracts to hedge its anticipated purchase and sale commitments denominated in foreign currencies.

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

Information on directors

Name:	Mr Benny Higgins
Title:	Non-Executive Chairman (previously Executive Chairman from 1 April 2018 to 31 December 2018)
Qualifications:	Benny holds a First Class Honours degree in Mathematics from the University of Glasgow and is a Fellow of the Faculty of Actuaries. He is a Fellow of the Chartered Institute of bankers in Scotland and a Fellow of the Royal Society of Edinburgh. In 2018 he was announced as a Visiting Professor at Strathclyde University and the Edinburgh Business School based in Heriot-Watt University.
Experience and expertise:	Benny Higgins has been a prominent international business leader for over thirty years, leading businesses in financial services and retail. Benny began his career at Standard Life in 1983 where he joined as an actuarial student and became a member of the Standard Life Group Executive in 1996. In 1997, he moved to RBS to become Chief Executive of Retail Banking. He was with RBS until 2015, during which time he led the successful integration of NatWest Retail Banking - one of the largest mergers ever undertaken in UK banking. He became Chief Executive Officer of HBOS plc in 2006 before joining Tesco Bank as Chief Executive in 2008. Under Benny's leadership, Tesco Bank grew to become one of the most established 'new' banks in the UK, serving more than 6 million customers and employing over 4,000 people in Edinburgh, Glasgow and Newcastle. In addition to his role at Tesco Bank, Benny was also the Group Strategy Director for Tesco PLC and was a member of the Tesco Executive Committee. Benny retired from Tesco in February 2018. In September 2017, Benny was asked by the Scottish Government to lead a project team to establish the creation of a Scottish National Investment Bank. In June 2018, Benny was announced as the strategic adviser of the Scottish National Investment Bank, leading its formation. Outside of financial services, Benny is Chairman of the National Galleries of Scotland, a Non-Executive Director of Glasgow Life, Non-Executive Director for the Buccleuch Group and a Prince's Trust Ambassador.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit and Risk Management Committee and the Nomination and Remuneration Committee
Interests in shares:	1,000,000 ordinary shares
Interests in options:	2,000,000 options over ordinary shares
Interests in rights:	None

Name:	Mr. Benjamin Michael Cronin
Title:	Executive Director
Experience and expertise:	Ben is the founder of Kyckr Ireland Limited (formerly Global Business Register Limited). He fulfils the combined roles of managing all operating activities, personnel and developing prospects and clients. Ben has established relationships with numerous government registers and registrars over the last 10 years. His understanding of the Company register domain is extensive and he has presented at numerous register conferences over the years. Ben was a professional Rugby Union player, playing for Munster and Ireland. Prior to setting up GBR, Ben was a successful property developer including bid management roles on Primary Healthcare Centre Projects and a Co-Location Hospital (Public Private Partnerships) Project.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	8,529,129 ordinary shares
Interests in options:	None
Interests in rights:	6,500,000 performance rights over ordinary shares

Name:	Mr Robert Leslie
Title:	Non-Executive Director
Qualifications:	B. Eng. (Electronics)
Experience and expertise:	Robert is an electronics engineer by profession and a co- founder of Kyckr Ireland Limited (formerly Global Business Register Limited). Robert has worked internationally for Dell in Japan. Rob is a mentor with Enterprise Ireland’s network, providing support to high potential start-up entrepreneurs. He is also the founder of Sedicii, which has developed an identity platform that allows individuals to prove their identity to organisations without having to share any personal information in the process. Rob is a source of innovation and strategy in technology products. He was recently selected by the World Economic Forum as a Technology Pioneer for 2015 and invited to talk at Davos.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	6,619,247 ordinary shares
Interests in options:	None
Interests in rights:	6,500,000 performance rights over ordinary shares

Name:	Mr John Van Der Wielen
Title:	Non-Executive Director
Qualifications:	MBA FAICD
Experience and expertise:	John has over 30 years in insurance, wealth management, private banking and investments including executive positions within several global financial services groups, commencing as Chief Executive Officer and Managing Director of HBF in May 2017. This involved leading a number of acquisitions, integration and restructuring programs and senior executive board membership of listed ASX, FTSE, European and Asian entities. John is experienced in fronting stock markets, liaising with direct investors and meeting analysts on company strategy and performance in many international markets. John was previously CEO of Friends Life UK and International in London and prior to this he was the Managing Director Wealth at ANZ Bank in Sydney. Most recently John has been a Senior Adviser for Blackstone in the financial services arena and an independent non-executive on several boards. He holds an MBA from the University of Western Australia and has studied at London Business School and Oxford University. He is a Fellow of the Australian Institute of Company Directors. John is an Advisory Member of the Business School for the University of Western Australia and has been appointed as a Non Executive Director of the Royal Flying Doctor Service Western Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Audit and Risk Management Committee and member of the Nomination and Remuneration Committee
Interests in shares:	1,100,109 ordinary shares
Interests in options:	2,000,000 options over ordinary shares
Interests in rights:	None

Name:	Karina Kwan
Title:	Non-Executive Director
Qualifications:	Karina holds a Bachelor of Economics from Sydney University, is a CPA Australia Fellow and a Graduate of the Australian Institute of Company Directors.
Experience and expertise:	Karina has led an accomplished executive career spanning 30 years in the financial services industry, most recently as General Manager of Group Support Services Finance at the Commonwealth Bank of Australia. Prior to this, she spent 18 years with Citi, of which the last 3 years was in the role of Chief Financial Officer for Australia and New Zealand. During her time at Citi, she performed the role of Corporate Treasurer for 12 years, during which time she also chaired the Institutional Bank's New Product Approval Committee. She is currently Non-Executive Director and Chair of the Audit & Risk Committee at WAM Active Limited and Member of the Board of Advice at The University of Sydney Business School.
Other current directorships:	Non-Executive Director of WAM Active Limited (ASX: WAA)
Former directorships (last 3 years):	None
Special responsibilities:	Chair of the Nomination and Remuneration Committee and member of the Audit and Risk Management Committee
Interests in shares:	None
Interests in options:	None

Name:	Jacqueline Kilgour
Title:	Non-Executive Director
Qualifications:	Jacqueline qualified as a Solicitor in England and Wales and is a member of the Law Society of England and Wales, Chartered Institute for Securities & Investment, Securities Industry and Financial Markets Association (SIFMA) and the Society of Trust and Estate Practitioners (STEP) and has passed New York Stock Exchange Series 14 (Compliance Official).
Experience and expertise:	Jacqueline brings more than 30 years' financial services experience in regulatory compliance, anti money laundering (AML) and corporate governance matters. She has successfully dealt with companies and regulators across a number of jurisdictions. Jacqueline held the role of Managing Director in Citigroup's Corporate and Investment Banking division in New York where she had responsibility globally for anti-money laundering, and compliance for Global Transaction Services in over 100 countries plus a number of central Compliance functions. In addition to her Citigroup experience, Jacqueline was European General Counsel and Company Secretary for Instinet, the institutional agency-only broker part of Nomura Group, where she was responsible for legal, compliance and corporate governance in Europe and Asia-Pacific. Prior to that, Jacqueline was Co-Head of European Compliance at Salomon Brothers and also worked in the Legal Department of a large energy utility. She has practised law at Cameron Markby Hewitt (now CMS) in London and Blake Dawson Waldron (now Ashurst) in Melbourne, Australia. Jacqueline is currently is the Managing Director of a regulatory compliance and governance consultancy firm and acts as a Non-Executive Directors for two regulated entities in the UK and another in the US.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None

Name:	Mr Albert YL Wong AM (resigned on 19 November 2018)
Title:	Non-Executive Director
Qualifications:	B Com. FAICD F Fin
Experience and expertise:	Albert has more than 30 years' experience in stockbroking and investment banking. He has worked for Merrill Lynch in Sydney and was a Member of the Australian Securities Exchange. He has been instrumental in the listing of numerous small cap companies and served on the boards of the same and others over the years. He is a Fellow of the Australian Institute of Company Directors and a fellow of FINSIA. Albert 's philanthropic endeavours include serving on the UNSW Foundation Board of Directors, Honorary Life Governor and former President for the University of Sydney's Physics Foundation, Director of the Australian Museum Foundation and serving on the Board of Directors of the Children's Medical Research Institute and its Foundation.
Other current directorships:	None
Former directorships (last 3 years):	Immutep Limited (formerly Prima BioMed Limited)
Special responsibilities:	Not applicable

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary
Karl Pechmann is a Chartered Accountant and Chartered Company Secretary. He has more than 15 years of diverse business experience across a range of industries including media, labour hire and biotechnology. He commenced his career with KPMG where he gained experience in audit, business advisory and corporate finance roles across a range of clients and industries. He has held senior finance positions at both ASX-listed and multi-national companies, being involved in M&A activity, strategic reviews and performance improvement initiatives.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2019, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Management Committee	
	Attended	Held	Attended	Held	Attended	Held
Benny Higgins	7	8	-	-	3	3
Benjamin Cronin	7	8	-	-	-	-
Robert Leslie	8	8	-	-	-	-
John Van Der Wielen	7	8	-	-	3	3
Karina Kwan	5	5	-	-	2	2
Jacqueline Kilgour	4	4	-	-	-	-
Albert YL Wong	2	3	-	-	1	1

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors are entitled to receive share options and performance rights.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. As set out in the IPO Prospectus, total aggregate remuneration available to Non-executive directors was set at $500,000 per annum. Non-executive director fees (Directors' fees and committee fees, inclusive of superannuation) proposed for the year ending 30 June 2020 are summarised as follows:

Name	Fees
Benny Higgins	£65,000
John Van Der Wielen	$65,000
Robert Leslie	$65,000
Karina Kwan	$65,000
Jacqueline Kilgour	$65,000

Executive remuneration
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include profit contribution, customer satisfaction, leadership contribution and product management.

The long-term incentives ('LTI') include long service leave and share-based payments.

On 1 September 2016, 4,000,000 unlisted options were granted to Key Management Personnel. The exercise price of the options of $0.30 was 50% higher than the Initial Public Offering price. The options are exercisable upon meeting certain revenue targets within four years from the date of grant. The contractual life of each option is four years.

On 1 September 2016, 20,000,000 performance rights were granted to certain Directors and Key Management Personnel. The performance rights are exercisable at Nil value. The performance rights vest upon meeting the following conditions:

- 50% of the performance rights automatically convert upon the Company achieving a turnover of $5 million or more as set out in the full year or half-yearly financial statements released to the ASX; and
- 50% of the Performance rights automatically convert upon the Company achieving a turnover of $10 million or more as set out in its yearly or half-yearly financial statements released to the ASX.

On 30 November 2016, 3,000,000 unlisted options exercisable at $0.30 were granted to senior executives under the Long Term Incentive Plan approved by shareholders at the Annual General Meeting held on 30 November 2016. The exercise price of the options of $0.30 was 22.45% higher than market price of the shares on the date of grant. The vesting of these options is conditional on continued employment until the vesting date, being two years from grant date. The contractual life of each option is four years.

On 10 August 2018, 1,000,000 unlisted options were granted to Benny Higgins, a Director of the company. The exercise price of the options of $0.20 was 48% higher than the market price of the shares on the date of grant. The options vested immediately and the contractual life of each option is four years.

On 10 August 2018, 1,000,000 unlisted options were granted to Benny Higgins, a Director of the Company. The exercise price of the options of $0.26 was 93% higher than the market price of the shares on the date of grant. The options vest on 1 March 2019 and the contractual life of each option is four years.

On 1 January 2019, 3,000,000 unlisted options were granted to Ian Henderson. The exercise price of the options of $0.1005 was 50% higher than the market price of the shares at the date of grant. The vesting of these options is conditional on continued employment until the vesting date, being 3 years from grant date. The contractual life of each option is 4 years.

On 1 January 2019, 5,391,063 unlisted performance rights were granted to Ian Henderson in lieu of the first year’s cash salary of £210,000. The performance rights have service-based vesting conditions only. The vesting date is 1 January 2020, expiring 1 April 2020. Once the vesting conditions are met, the performance rights will be exercisable at nil cost.

The Board of Directors reviewed the long-term equity-linked performance incentives specifically for executives during the year ended 30 June 2019.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Nomination and Remuneration Committee.

The Nomination and Remuneration Committee is of the opinion that the adoption of performance based compensation will contribute to future improvements in performance and will increase shareholder wealth over the coming years.

Use of remuneration consultants
During the financial year ended 30 June 2019, the company did not engage remuneration consultants to review its existing remuneration policies and provide recommendations on how to improve both the STI and LTI programs.

Voting and comments made at the company's 2018 Annual General Meeting ('AGM')
At the 2018 AGM, 99.46% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2018. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in this section.

The key management personnel of the consolidated entity consisted of the following directors of Kyckr Limited:

- Benny Higgins
- Benjamin Cronin
- John Van Der Wielen
- Robert Leslie
- Karina Kwan (appointed on 19 November 2018)
- Jacqueline Kilgour (appointed on 18 February 2019)
- Albert YL Wong (resigned on 19 November 2018)

And the following persons:

- Ian Henderson - Chief Executive Officer (appointed 1 January 2019)
- Karl Pechmann - Chief Financial Officer and Company Secretary

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2019	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
B Higgins	160,934	-	-	-	-	147,014	307,948
J Van Der Wielen	45,662	-	-	4,338	-	-	50,000
R Leslie	50,233	-	-	-	-	-	50,233
Karina Kwan*	36,604	-	-	3,477	-	-	40,081
J Kilgour*	23,507	-	-	-	-	-	23,507
A Wong*	22,831	-	-	2,169	-	25,855	50,855
Executive Directors:							
B Cronin	239,234	-	-	-	-	-	239,234
Other Key Management Personnel:							
I Henderson*	-	-	-	-	-	198,784	198,784
K Pechmann	220,538	-	-	19,950	2,792	(20,725)	222,555
	799,543	-	-	29,934	2,792	350,928	1,183,197

* represents remuneration from the date of appointment and/or up to the date of resignation

	Short-term benefits			Post-employment benefits	Long-term benefits	Share-based payments	
2018	Cash salary and fees $	Cash bonus $	Non-monetary $	Super-annuation $	Long service leave $	Equity-settled $	Total $
Non-Executive Directors:							
J Van Der Wielen	38,052	-	-	3,615	-	51,038	92,705
A Wong	38,052	-	-	3,615	-	149,795	191,462
J Walsh*	16,667	-	-	-	-	-	16,667
P Curry*	16,667	-	-	-	-	10,690	27,357
Executive Directors:							
B Higgins*	76,537	-	-	-	-	-	76,537
R Leslie	99,949	-	-	-	-	-	99,949
B Cronin	230,769	-	-	-	-	-	230,769
Other Key Management Personnel:							
D Cassidy*	225,025	-	-	20,425	(1,080)	(124,350)	120,020
K Pechmann	202,825	-	-	19,237	2,502	49,932	274,496
	944,543	-	-	46,892	1,422	137,105	1,129,962

* represents remuneration from the date of appointment and/or up to the date of resignation

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed remuneration		At risk - STI		At risk - LTI	
Name	2019	2018	2019	2018	2019	2018
Non-Executive Directors:						
B Higgins	53%	100%	-	-	47%	-
J Van Der Wielen	100%	45%	-	-	-	55%
R Leslie	100%	100%	-	-	-	-
K Kwan	100%	-	-	-	-	-
J Kilgour	100%	-	-	-	-	-
A Wong	49%	22%	-	-	51%	78%
P Curry	-	61%	-	-	-	39%
Executive Directors:						
B Cronin	100%	100%	-	-	-	-
Other Key Management Personnel:						
I Henderson	-	-	-	-	100%	-
K Pechmann	109%	82%	-	-	(9%)	18%
D Cassidy	-	203%	-	-	-	(103%)

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Ian Henderson
Title:	Chief Executive Officer
Agreement commenced:	1 January 2019
Term of agreement:	No fixed term
Details:	Ian receives a base salary of £210,000 and is eligible to participate in the long term incentive plans of the consolidated entity. Either party can terminate the employment contract by giving 6 months’ notice in writing.

Name:	Benjamin Cronin
Title:	Head of Regulatory Development
Agreement commenced:	6 September 2016
Term of agreement:	No fixed term
Details:	Ben receives a base salary of €150,000 and is eligible to participate in the long term incentive plans of the consolidated entity. Ben may terminate his employment contract by giving 3 months’ notice in writing. The company can terminate his contract by giving 3 months' notice in writing and providing 12 months' pay.

Name:	Karl Pechmann
Title:	Chief Financial Officer and Company Secretary
Agreement commenced:	6 September 2016
Term of agreement:	No fixed term
Details:	Karl receives a base salary of $210,000 plus superannuation and is eligible to participate in the long term incentive plans of the consolidated entity. Karl may terminate his employment contract by giving 3 months’ notice in writing.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30 June 2019.

Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of options granted	Grant date	Vesting and exercisable date	Expiry date	Exercise price	Fair value per option at grant date
B Higgins	1,000,000	10/08/2018	10/08/2018	10/08/2022	$0.20	$0.08
B Higgins	1,000,000	10/08/2018	10/08/2019	10/08/2022	$0.26	$0.07
I Henderson	3,000,000	01/01/2019	01/01/2022	01/01/2023	$0.10	$0.04

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the company. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

The number of options over ordinary shares granted to and vested in directors and other key management personnel as part of compensation during the year ended 30 June 2019 are set out below:

Name	Number of options granted during the year 2019	Number of options granted during the year 2018	Number of options vested during the year 2019	Number of options vested during the year 2018
B Higgins	2,000,000	-	-	-
I Henderson	3,000,000	-	-	-
J Van Der Wielen	-	-	-	1,000,000

Performance rights
The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name	Number of rights granted	Grant date	Expiry date	Fair value per right at grant date
D Cassidy	3,000,000	01/09/2016	01/09/2020	$0.20
B Cronin	6,500,000	01/09/2016	01/09/2020	$0.20
R Leslie	6,500,000	01/09/2016	01/09/2020	$0.20
A Wong	3,000,000	01/09/2016	01/09/2020	$0.20
K Pechmann	1,000,000	01/09/2016	01/09/2020	$0.20
I Henderson	5,391,063	01/01/2019	01/01/2023	$0.07

* All performance rights can vest and become exercisable between 1 September 2016 and 1 September 2020 upon achieving the performance criteria.

Performance rights granted carry no dividend or voting rights.

The number of performance rights over ordinary shares granted to, vested and forfeited by directors and other key management personnel as part of compensation during the years ended 30 June 2019 and 30 June 2018 are set out below:

	Number of rights granted during the year 2019	Number of rights granted during the year 2018	Number of rights forfeited during the year 2019	Number of rights forfeited during the year 2018
I Henderson	5,391,063	-	-	-
D Cassidy	-	-	-	(3,000,000)

No rights vested during the years ended 30 June 2019.

Additional disclosures relating to key management personnel

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

	Balance at the start of the year	Received as part of remuneration	Additions	Disposals/ other*	Balance at the end of the year
Ordinary shares					
B Higgins	-	-	1,000,000	-	1,000,000
J Van Der Wielen	789,404	-	310,705	-	1,100,109
R Leslie	9,619,247	-	-	-	9,619,247
A Wong*	5,130,213	-	-	(5,130,213)	-
B Cronin	8,519,129	-	-	-	8,519,129
K Pechmann	151,812	-	-	-	151,812
	24,209,805	-	1,310,705	(5,130,213)	20,390,297

* Disposals/other may represent no longer being designated as a KMP, not necessarily a disposal of holding.

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

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other*	Balance at the end of the year
Options over ordinary shares					
B Higgins	-	2,000,000	-	-	2,000,000
J Van Der Wielen	2,000,000	-	-	-	2,000,000
A Wong*	1,500,000	-	-	(1,500,000)	-
I Henderson	-	3,000,000	-	-	3,000,000
K Pechmann	1,000,000	-	-	-	1,000,000
	4,500,000	5,000,000	-	(1,500,000)	8,000,000

* Expire/forfeited/other may represent no longer being designated as a KMP, it does not necessarily represent options that have expired or have been forfeited.

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

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
R Leslie	6,500,000	-	-	-	6,500,000
A Wong*	3,000,000	-	-	(3,000,000)	-
B Cronin	6,500,000	-	-	-	6,500,000
I Henderson	-	5,391,063	-	-	5,391,063
K Pechmann	1,000,000	-	-	-	1,000,000
	17,000,000	5,391,063	-	(3,000,000)	19,391,063

* Expire/forfeited/other may represent no longer being designated as a KMP, it does not necessarily represent options that have expired or have been forfeited.

Other transactions with key management personnel and their related parties
During the financial year, expenses for investor relations services from Barton Place Pty Ltd (director-related entity of Albert Wong) of $Nil (2018: $27,502) were incurred. All transactions were made on normal commercial terms and conditions and were at market rates.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Kyckr Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
01/09/2016	01/09/2020	$0.20	4,000,000
01/09/2016	01/09/2020	$0.30	4,000,000
30/11/2016	30/11/2020	$0.30	2,722,222
30/11/2016	30/11/2020	$0.30	2,000,000
02/01/2018	02/01/2022	$0.30	2,000,000
10/08/2018	10/08/2022	$0.20	1,000,000
10/08/2018	10/08/2022	$0.26	1,000,000
01/01/2019	01/01/2023	$0.10	3,000,000
			19,722,222

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

Shares under performance rights
Unissued ordinary shares of Kyckr Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number under rights
01/09/2016	01/09/2020	7,000,000
01/01/2019	01/04/2020	5,931,063
		12,931,063

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

Shares issued on the exercise of options
There were no ordinary shares of Kyckr Limited issued on the exercise of options during the year ended 30 June 2019 and up to the date of this report.

Shares issued on the exercise of performance rights
There were no ordinary shares of Kyckr Limited issued on the exercise of performance rights during the year ended 30 June 2019 and up to the date of this report.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor

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

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

Proceedings on behalf of the company

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

Non-audit services

There were no non-audit services provided during the financial year by the auditor.

Officers of the company who are former partners of Nexia Sydney Partnership

There are no officers of the company who are former partners of Nexia Sydney Partnership.

Auditor's independence declaration

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

Auditor

Nexia Sydney Partnership continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors

Benny Higgins	John Van Der Wielen
Chairman	Director

27 September 2019
Sydney

To the Board of Directors of Kyckr Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

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

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

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

Yours sincerely

Nexia

Nexia Sydney Partnership

Lester Wills
Partner

Date: 27 September 2019

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	Note	Consolidated 2019 $	Consolidated 2018 $
Revenue	5	2,138,671	1,724,409
Other income	6	1,871,855	513,644
Interest revenue calculated using the effective interest method		84,556	42,611
Expenses			
Direct costs and consumables used		(886,328)	(670,633)
Employee benefits expense	7	(2,964,872)	(2,999,223)
Share-based payments expense	7	(534,996)	(337,763)
Depreciation and amortisation expense	7	(62,655)	(56,738)
Impairment of intangible assets	7	(3,801,663)	-
Impairment of receivables	10	(89,196)	(7,042)
Consultancy and professional fees		(611,441)	(517,014)
Occupancy expenses		(142,203)	(134,509)
Travel expenses		(207,930)	(298,907)
Net foreign exchange loss		(5,050)	(4,944)
Listing related expenses		(248,219)	(232,541)
Other expenses		(653,168)	(531,473)
Finance costs	7	(13,134)	(37,322)
Loss before income tax expense		(6,125,773)	(3,547,445)
Income tax expense	8	-	-
Loss after income tax expense for the year attributable to the owners of Kyckr Limited		(6,125,773)	(3,547,445)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		809	32,816
Other comprehensive income for the year, net of tax		809	32,816
Total comprehensive income for the year attributable to the owners of Kyckr Limited		(6,124,964)	(3,514,629)
		Cents	**Cents**
Basic earnings per share	32	(4.09)	(3.24)
Diluted earnings per share	32	(4.09)	(3.24)

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

	Note	Consolidated 2019 $	2018 $
Assets			
Current assets			
Cash and cash equivalents	9	1,448,660	4,575,703
Trade and other receivables	10	418,286	366,612
Other	11	174,934	124,141
Total current assets		2,041,880	5,066,456
Non-current assets			
Property, plant and equipment	12	49,035	56,670
Intangibles	13	9,627,372	12,565,203
Total non-current assets		9,676,407	12,621,873
Total assets		11,718,287	17,688,329
Liabilities			
Current liabilities			
Trade and other payables	14	839,214	831,299
Contract liabilities	15	158,000	69,800
Borrowings	16	54,348	-
Employee benefits		21,434	14,843
Contingent consideration	17	214,500	2,080,000
Total current liabilities		1,287,496	2,995,942
Non-current liabilities			
Employee benefits	18	7,079	-
Total non-current liabilities		7,079	-
Total liabilities		1,294,575	2,995,942
Net assets		10,423,712	14,692,387
Equity			
Issued capital	19	21,798,633	20,477,340
Reserves	20	2,477,342	1,941,537
Accumulated losses		(13,852,263)	(7,726,490)
Total equity		10,423,712	14,692,387

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

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2017	14,897,543	1,570,958	(4,179,045)	12,289,456
Loss after income tax expense for the year	-	-	(3,547,445)	(3,547,445)
Other comprehensive income for the year, net of tax	-	32,816	-	32,816
Total comprehensive income for the year	-	32,816	(3,547,445)	(3,514,629)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 19)	5,579,797	-	-	5,579,797
Share-based payments (note 33)	-	337,763	-	337,763
Balance at 30 June 2018	20,477,340	1,941,537	(7,726,490)	14,692,387

Consolidated	Issued capital $	Reserves $	Accumulated losses $	Total equity $
Balance at 1 July 2018	20,477,340	1,941,537	(7,726,490)	14,692,387
Loss after income tax expense for the year	-	-	(6,125,773)	(6,125,773)
Other comprehensive income for the year, net of tax	-	809	-	809
Total comprehensive income for the year	-	809	(6,125,773)	(6,124,964)
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs (note 19)	1,321,293	-	-	1,321,293
Share-based payments (note 33)	-	534,996	-	534,996
Balance at 30 June 2019	21,798,633	2,477,342	(13,852,263)	10,423,712

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

	Note	Consolidated 2019 $	2018 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,396,259	1,725,581
Payments to suppliers and employees (inclusive of GST)		(6,067,182)	(5,108,652)
		(3,670,923)	(3,383,071)
Interest received		84,556	42,611
Interest and other finance costs paid		(6,779)	-
Net cash used in operating activities	31	(3,593,146)	(3,340,460)
Cash flows from investing activities			
Payments for property, plant and equipment	12	(24,217)	(45,728)
Payments for intangibles	13	(885,321)	(281,239)
Net cash used in investing activities		(909,538)	(326,967)
Cash flows from financing activities			
Proceeds from issue of shares	19	1,407,878	5,945,441
Share issue transaction costs	19	(86,585)	(365,644)
Proceeds from borrowings		106,601	-
Repayment of borrowings		(52,253)	-
Net cash from financing activities		1,375,641	5,579,797
Net increase/(decrease) in cash and cash equivalents		(3,127,043)	1,912,370
Cash and cash equivalents at the beginning of the financial year		4,575,703	2,670,859
Effects of exchange rate changes on cash and cash equivalents		-	(7,526)
Cash and cash equivalents at the end of the financial year	9	1,448,660	4,575,703

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

Note 1. General information

The financial statements cover Kyckr Limited as a consolidated entity consisting of Kyckr Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Kyckr Limited's functional and presentation currency.

Kyckr Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 6, 36 Grosvenor Street
Sydney
NSW 2000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 September 2019. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

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

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

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

AASB 9 Financial Instruments
The consolidated entity has adopted AASB 9 from 1 July 2018. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

Note 2. Significant accounting policies (continued)

AASB 15 Revenue from Contracts with Customers
The consolidated entity has adopted AASB 15 from 1 July 2018. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

Impact of adoption
The adoption of AASB 9 and AASB 15 resulted in the following adjustments:
- interest receivable is now shown on the face of the profit or loss;
- provision for impairment of receivables is now reclassified as allowance for expected credit losses; and
- deferred revenue is now reclassified as contract liability.

There were no material changes in the carrying amounts on adoption of AASB 9 and AASB 15 standards as at 1 July 2018.

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

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

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

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kyckr Limited ('company' or 'parent entity') as at 30 June 2019 and the results of all subsidiaries for the year then ended. Kyckr Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity 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 to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Note 2. Significant accounting policies (continued)

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

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Kyckr Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The consolidated entity recognises revenue as follows:

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

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

Rendering of services
Online revenue is recognised at a point in time when an online document search and purchase service is provided to the customer. Enterprise revenue is recognised over a period of time as services are provided including automation and perpetual validation of customer ‘Know your client’ data, timing differences in invoicing for services and completion of performance obligations are recognised as contract liabilities.

Note 2. Significant accounting policies (continued)

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

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

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

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

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

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

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 2. Significant accounting policies (continued)

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, it's carrying value is written off.

Financial assets at amortised cost
A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

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

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

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

Property, plant and equipment
Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Computer equipment	2-5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements and plant and equipment under lease are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Note 2. Significant accounting policies (continued)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

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.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the consolidated entity will obtain ownership at the end of the lease term.

Operating lease payments, net of any incentives received from the lessor, are charged to profit or loss on a straight-line basis over the term of the lease.

Intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Computer software and development
Significant costs associated with computer software and development are deferred and amortised on a straight-line basis over the period of their expected benefit and once the asset has been brought into use, being their finite life of 5 years.

Impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Note 2. Significant accounting policies (continued)

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

Contract liabilities
Contract liabilities represent the consolidated entity's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the consolidated entity recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the consolidated entity has transferred the goods or services to the customer.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Loans and borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount and any consideration paid is recognised in profit or loss.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

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

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

Liabilities for employee entitlements which have vested in the employee at reporting date are recognised as current liabilities notwithstanding that they are not expected to be settled within 12 months of reporting date as the consolidated entity does not have an unconditional right to defer settlement.

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

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services.

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

Note 2. Significant accounting policies (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

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

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

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

Fair value measurement

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

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

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

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

Issued capital

Ordinary shares are classified as equity.

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

Business combinations

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

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

Note 2. Significant accounting policies (continued)

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

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

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

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

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

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Kyckr Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial 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.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

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 tax authority is included in other receivables or other 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 tax authority, are presented as operating cash flows.

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

Note 2. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

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

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019. The opening balances at 1 July 2019 for the lease assets will be in line with the lease commitments disclosed in note 27.

New Conceptual Framework for Financial Reporting
A revised Conceptual Framework for Financial Reporting has been issued by the AASB and is applicable for annual reporting periods beginning on or after 1 January 2020. This release impacts for-profit private sector entities that have public accountability that are required by legislation to comply with Australian Accounting Standards and other for-profit entities that voluntarily elect to apply the Conceptual Framework. Phase 2 of the framework is yet to be released which will impact for-profit private sector entities. The application of new definition and recognition criteria as well as new guidance on measurement will result in amendments to several accounting standards. The issue of AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework, also applicable from 1 January 2020, includes such amendments. Where the consolidated entity has relied on the conceptual framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under Australian Accounting Standards, the consolidated entity may need to revisit such policies. The consolidated entity will apply the revised conceptual framework from 1 July 2020 and is yet to assess its impact.

Note 3. Critical accounting judgements, estimates and assumptions

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

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

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Fair value measurement hierarchy
The consolidated entity is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets
The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The consolidated entity assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Employee benefits provision
As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Business combinations
As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Note 4. Operating segments

The Group operates in one operating segment, being the provision of Know Your Business customer ('KYB') services. The operating segment identified is based on the internal reports that are reviewed and used by the Directors of the Board (who are identified as the Chief Operating Decision Maker ('CODM') in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

The CODM reviews earnings before interest, tax, depreciation and amortisation ('EBITDA'). EBITDA is a financial measure which is not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-specific non-cash and significant items. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on at least a monthly basis.

Major customers
During the year ended 30 June 2019 approximately 36% (2018: 29%) of the consolidated entity's external revenue was derived from sales to 3 customers (2018: 1 customers).

Geographical information

	Sales to external customers		Geographical non-current assets	
	2019	2018	2019	2018
	$	$	$	$
Australia	-	-	8,452,328	12,255,891
Ireland	2,138,671	1,724,409	1,224,079	365,982
	2,138,671	1,724,409	9,676,407	12,621,873

A reconciliation of the loss after income tax expense to EBITDA is as follows:

	Consolidated	
	2019	2018
	$	$
Loss after tax	(6,125,773)	(3,547,445)
add: depreciation and amortisation	62,655	56,738
add: impairment of goodwill	3,801,663	-
Less: interest revenue	(84,556)	(42,611)
add: finance costs	13,134	37,322
EBITDA	(2,332,877)	(3,495,996)

Note 5. Revenue

	Consolidated	
	2019	2018
	$	$
Sales of services	2,138,671	1,724,409

Note 5. Revenue (continued)

Disaggregation of revenue
The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	2019 $	2018 $
Major product lines		
Online revenue	1,487,492	1,021,223
Enterprise revenue	651,179	703,186
	2,138,671	1,724,409

Refer to note 4 'Operating segments' for analysis of revenue by geographical region.

During the financial year ended 30 June 2019 and 30 June 2018, all revenue was recognised based on services provided at a point in time.

Note 6. Other income

	Consolidated	
	2019 $	2018 $
Net fair value gain on financial liability (refer to note 17)	1,871,855	513,644

Note 7. Expenses

	Consolidated 2019 $	Consolidated 2018 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Computer equipment	32,811	16,361
Amortisation		
Computer software and development	29,844	40,377
Total depreciation and amortisation	62,655	56,738
Impairment		
Goodwill	3,801,663	-
Finance costs		
Interest and finance charges paid/payable	6,779	-
Unwinding of the discount on contingent consideration (refer to note 17)	6,355	37,322
Finance costs expensed	13,134	37,322
Net foreign exchange loss		
Net foreign exchange loss	5,050	4,944
Rental expense relating to operating leases		
Minimum lease payments	140,859	130,970
Share-based payments expense		
Share-based payments expense	534,996	337,763
Employee benefits expense		
Employee benefits expense excluding superannuation	2,918,590	2,942,401
Defined contribution superannuation expense	46,282	56,822
Total employee benefits expense	2,964,872	2,999,223

Note 8. Income tax expense

	Consolidated 2019 $	Consolidated 2018 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense	(6,125,773)	(3,547,445)
Tax at the statutory tax rate of 27.5%	(1,684,588)	(975,547)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	1,193,363	103,812
Non-assessable income	(514,760)	(141,252)
Capital deductions	(24,873)	(100,552)
	(1,030,858)	(1,113,539)
Current year tax losses not recognised	684,750	798,850
Difference in overseas tax rates	346,108	314,689
Income tax expense	-	-

	Consolidated 2019 $	Consolidated 2018 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Carried forward tax losses benefit	2,437,755	1,905,895
Temporary differences	34,618	43,003
Total deferred tax assets not recognised	2,472,373	1,948,898

The above potential tax benefit, which includes tax losses and temporary differences has not been recognised in the statement of financial position as recovery of this benefit is not probable. There is no expiration date for the tax losses carried forward. The estimated amount of cumulative tax losses at 30 June 2019 was $12,981,159 (2018: $9,794,107). Utilisation of these tax losses is dependent on the company satisfying certain tests at the time the losses are recouped.

Note 9. Current assets - cash and cash equivalents

	Consolidated 2019 $	Consolidated 2018 $
Cash at bank	1,448,660	4,575,703

Note 10. Current assets - trade and other receivables

	Consolidated 2019 $	Consolidated 2018 $
Trade receivables	240,681	305,689
Less: Allowance for expected credit losses	(3,241)	(8,512)
	237,440	297,177
Other receivables	60,351	39,028
GST receivable	120,495	30,407
	418,286	366,612

Allowance for expected credit losses
The consolidated entity has recognised a loss of $83,925 (2018: a gain of $7,026) in profit or loss in respect of impairment of receivables for the year ended 30 June 2019.

The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

Consolidated	Expected credit loss rate 2019 %	Carrying amount 2019 $	Allowance for expected credit losses 2019 $
Not overdue	-	110,374	-
0 to 3 months overdue	-	106,424	-
3 to 6 months overdue	-	11,508	-
Over 6 months overdue	26.19%	12,375	3,241
		240,681	3,241

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

	Consolidated 2019 $	Consolidated 2018 $
Opening balance	8,512	1,486
Additional provisions recognised	83,925	7,026
Receivables written off during the year as uncollectable	(89,196)	-
Closing balance	3,241	8,512

Note 11. Current assets - other

	Consolidated 2019 $	Consolidated 2018 $
Prepayments	158,729	108,378
Security deposits	16,205	15,763
	174,934	124,141

Note 12. Non-current assets - property, plant and equipment

	Consolidated 2019 $	Consolidated 2018 $
Computer equipment - at cost	104,616	79,440
Less: Accumulated depreciation	(55,581)	(22,770)
	49,035	56,670

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Computer equipment $	Total $
Balance at 1 July 2017	26,259	26,259
Additions	45,728	45,728
Exchange differences	1,044	1,044
Depreciation expense	(16,361)	(16,361)
Balance at 30 June 2018	56,670	56,670
Additions	24,217	24,217
Exchange differences	959	959
Depreciation expense	(32,811)	(32,811)
Balance at 30 June 2019	49,035	49,035

Note 13. Non-current assets - intangibles

	Consolidated 2019 $	Consolidated 2018 $
Goodwill - at cost	12,250,079	12,250,079
Less: Impairment	(3,801,663)	-
	8,448,416	12,250,079
Computer software and development - at cost	1,292,552	398,876
Less: Accumulated amortisation	(113,596)	(83,752)
	1,178,956	315,124
	9,627,372	12,565,203

Note 13. Non-current assets - intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill $	Computer software and development $	Total $
Balance at 1 July 2017	12,250,079	70,938	12,321,017
Additions	-	281,239	281,239
Exchange differences	-	3,324	3,324
Amortisation expense	-	(40,377)	(40,377)
Balance at 30 June 2018	12,250,079	315,124	12,565,203
Additions	-	885,321	885,321
Exchange differences	-	8,355	8,355
Impairment of assets	(3,801,663)	-	(3,801,663)
Amortisation expense	-	(29,844)	(29,844)
Balance at 30 June 2019	8,448,416	1,178,956	9,627,372

Impairment testing
For the purpose of impairment testing, goodwill is allocated to the one cash generating unit ('CGU'), Kyckr Ireland Limited.

Key assumptions used for value-in-use calculations:
The Group tests whether goodwill has suffered any impairment on at least an annual basis. The recoverable amount of a CGU is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by the Board of Directors covering a two year period. Estimated growth rates and other reasonable assumptions are utilised to further calculate cash flows out to five years from balance date. Cash flows beyond the five year period are extrapolated into perpetuity using estimated terminal growth rates shown below. The following table sets out the key assumptions used for value-in-use calculations:
- Two to five year growth rates 30% (2018: 30%)
- Long term growth rate 5% (2018: 5%)
- Weighted average cost of capital 15% (2018: 15%)

Impairment charge:
Based on the value-in-use calculation methodology and assumptions stated above, the carrying amount the CGU exceeds its recoverable amount and an impairment of $3,801,663 has been recognised.

Impact of possible changes in assumptions:
A reasonable possible change in the key assumptions would not result in any additional impairment to the CGU.

Note 14. Current liabilities - trade and other payables

	Consolidated 2019 $	Consolidated 2018 $
Trade payables	395,289	517,913
Accrued expenses	273,130	262,427
Other payables	170,795	50,959
	839,214	831,299

Refer to note 22 for further information on financial instruments.

Note 15. Current liabilities - contract liabilities

	Consolidated 2019 $	Consolidated 2018 $
Contract liabilities	158,000	-
Deferred revenue	-	69,800
	158,000	69,800

Deferred revenue has been reclassified to contract liabilities at 1 July 2018 following the adoption of AASB 15 'Revenue from Contracts with Customers'.

Reconciliation
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:

	Consolidated 2019 $
Opening balance	69,800
Payments received in advance	494,254
Transfer to revenue	(406,054)
Closing balance	158,000

Unsatisfied performance obligations
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $158,000 as at 30 June 2019 ($69,800 as at 30 June 2018) and is expected to be recognised as revenue in future periods as follows:

	Consolidated 2019 $	Consolidated 2018 $
Within 6 months	158,000	69,800

Note 16. Current liabilities - borrowings

	Consolidated 2019 $	Consolidated 2018 $
Interest bearing liability - insurance premium funding	54,348	-

Refer to note 22 for further information on financial instruments.

Note 17. Current liabilities - contingent consideration

	Consolidated 2019 $	Consolidated 2018 $
Contingent consideration	214,500	2,080,000

Note 17. Current liabilities - contingent consideration (continued)

Contingent consideration
Contingent consideration relates to the acquisition of Kyckr Ireland Limited on 1 September 2016 and represents 13,000,000 Performance Shares that were issued which will convert to fully paid ordinary shares on a one-for-one basis upon meeting the following vesting conditions:

- 50% of the performance shares automatically convert upon the Company achieving a turnover of $5 million or more as set out in the full year or half-yearly financial statements released to the ASX; and
- 50% of the performance shares automatically convert upon the Company achieving a turnover of $10 million or more as set out in its yearly or half-yearly financial statements released to the ASX.

The performance shares expire four years from the date of acquisition in the event that the above vesting conditions are not met.

As the contingent consideration vests no earlier than two years from the date of issue, the amount has been discounted by the two-year government bond rate of 1.46% p.a. The finance costs incurred during the period with respect to the unwinding of the discount was $6,355 (2018: $37,322) and is included in finance costs, which in addition to a fair value movement of $1,871,855 (2018: $513,644) gives a balance at 30 June 2019 of $214,500 (2018: $2,080,000).

Note 18. Non-current liabilities - employee benefits

	Consolidated	
	2019 $	2018 $
Long service leave	7,079	-

Note 19. Equity - issued capital

	Consolidated			
	2019 Shares	2018 Shares	2019 $	2018 $
Ordinary shares - fully paid	150,964,890	140,908,619	21,798,633	20,477,340

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2017	100,962,186		14,897,543
Share placement	17 October 2017	11,764,710	$0.17	2,000,000
Share placement	27 June 2018	28,181,723	$0.14	3,945,441
less share issue costs (net of taxation)		-	$0.00	(365,644)
Balance	30 June 2018	140,908,619		20,477,340
Share placement	10 August 2018	10,056,271	$0.14	1,407,878
less share issue costs (net of taxation)		-	$0.00	(86,585)
Balance	30 June 2019	150,964,890		21,798,633

Note 20. Equity - reserves

	Consolidated 2019 $	Consolidated 2018 $
Foreign currency reserve	7,534	6,725
Share-based payments reserve	2,469,808	1,934,812
	2,477,342	1,941,537

Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Foreign currency $	Share-based payments $	Total $
Balance at 1 July 2017	(26,091)	1,597,049	1,570,958
Foreign currency translation	32,816	-	32,816
Share-based payments	-	337,763	337,763
Balance at 30 June 2018	6,725	1,934,812	1,941,537
Foreign currency translation	809	-	809
Share-based payments	-	534,996	534,996
Balance at 30 June 2019	7,534	2,469,808	2,477,342

Note 21. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 22. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity may use derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures, however as at 30 June 2019 and 30 June 2018 there were no derivative financial instruments in place. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies and evaluates financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Note 22. Financial instruments (continued)

Market risk

Foreign currency risk
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The consolidated entity's foreign exchange risk is managed to ensure sufficient funds are available to meet foreign denominated financial commitments in a timely and cost-effective manner. The consolidated entity will continually monitor this risk and consider entering into forward foreign exchange, foreign currency swap and foreign currency option contracts if appropriate.

Creditors and debtors as at 30 June 2019 were reviewed to assess currency risk at year end. The value of transactions denominated in a currency other than the functional currency of the respective subsidiary was insignificant and therefore the risk was determined as not being significant.

At 30 June 2019, the carrying value of foreign currency denominated cash and cash equivalents are as follows:

	Assets		Liabilities	
Consolidated	2019 $	2018 $	2019 $	2018 $
US dollars	22,589	5,719	-	-
Euros	69,718	229,171	-	-
Pound Sterling	20,488	6,596	-	-
	112,795	241,486	-	-

The consolidated entity had cash denominated in foreign currencies of $112,795 as at 30 June 2019 (30 June 2018: $241,486). Based on this exposure, had the Australian dollar weakened by 10%/strengthened by 10% (30 June 2018: weakened by 10%/strengthened by 10%) against these foreign currencies with all other variables held constant, the consolidated entity's profit after tax for the year would have been $11,280 higher/$11,280 lower (30 June 2018: $24,149 higher/$24,149 lower). The percentage change is the expected overall volatility of the significant currencies, based on management's assessment of reasonable possible fluctuations.

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

Interest rate risk
The consolidated entity is not exposed to any interest rate risk.

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

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

Note 22. Financial instruments (continued)

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits.

The consolidated entity has no significant credit risk exposure and the maximum exposure at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk
Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2019	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	395,289	-	-	-	395,289
Other payables	-	170,795	-	-	-	170,795
Contingent consideration	-	214,500	-	-	-	214,500
Interest-bearing - fixed rate						
Borrowing	7.90%	54,348	-	-	-	54,348
Total non-derivatives		834,932	-	-	-	834,932

Consolidated - 2018	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade payables	-	517,913	-	-	-	517,913
Other payables	-	50,959	-	-	-	50,959
Contingent consideration	-	2,080,000	-	-	-	2,080,000
Total non-derivatives		2,648,872	-	-	-	2,648,872

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

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

Note 23. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2019	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Contingent consideration	-	-	214,500	214,500
Total liabilities	-	-	214,500	214,500

Consolidated - 2018	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Contingent consideration	-	-	2,080,000	2,080,000
Total liabilities	-	-	2,080,000	2,080,000

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of the contingent consideration is estimated using a discounted cash flow model and is based on the probability of meeting all of the vesting conditions under the terms of the Kyckr (Ireland) Share Purchase Agreement.

Valuation techniques for fair value measurements categorised within level 2 and level 3
The fair value of the contingent consideration is estimated based on a probability of meeting all of the vesting conditions relating to these shares under the terms of the Share Purchase Agreement.

Level 3 assets and liabilities
Movements in level 3 assets and liabilities during the current and previous financial year are set out below:

Consolidated	Contingent consideration $	Total $
Balance at 1 July 2017	2,556,322	2,556,322
Gains recognised in profit or loss	(513,644)	(513,644)
Unwinding of the discount*	37,322	37,322
Balance at 30 June 2018	2,080,000	2,080,000
Gains recognised in profit or loss	(1,871,855)	(1,871,855)
Unwinding of the discount*	6,355	6,355
Balance at 30 June 2019	214,500	214,500

* Included as part of finance costs in the Statement of profit or loss and other comprehensive income

Note 23. Fair value measurement (continued)

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range (weighted average)	Sensitivity
Contingent consideration	Discount rate	1.46%	0.25% change would increase/decrease fair value by $1,070

Note 24. Key management personnel disclosures

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

	Consolidated	
	2019 $	2018 $
Short-term employee benefits	799,543	944,543
Post-employment benefits	29,934	46,892
Long-term benefits	2,792	1,422
Share-based payments	350,928	137,105
	1,183,197	1,129,962

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Nexia Sydney Partnership, the auditor of the company:

	Consolidated	
	2019 $	2018 $
Audit services - Nexia Sydney Partnership		
Audit or review of the financial statements	35,000	35,000

Note 26. Contingent liabilities

The consolidated entity has no contingent liabilities at 30 June 2019 and 30 June 2018.

Note 27. Commitments

	Consolidated	
	2019 $	2018 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	118,522	-
One to five years	71,113	-
	189,635	-

Operating lease commitments includes contracted amounts for properties under non-cancellable operating leases expiring within 1 to 2 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

Note 28. Related party transactions

Parent entity
Kyckr Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 30.

Key management personnel
Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2019	2018
	$	$
Payment for goods and services:		
Payment for services from director related entity	-	27,502

Payment for services from Director related entity comprise of:

- expenses for investor relations services from Barton Place Pty Ltd (director-related entity of Albert Wong) of $Nil (2018: $27,502). All transactions were made on normal commercial terms and conditions and were at market rates.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent	
	2019	2018
	$	$
Profit/(loss) after income tax	222,837	(1,286,404)
Total comprehensive income	222,837	(1,286,404)

Note 29. Parent entity information (continued)

Statement of financial position

	Parent 2019 $	Parent 2018 $
Total current assets	8,505,132	8,286,833
Total assets	20,294,257	20,077,856
Total current liabilities	458,784	2,328,588
Total liabilities	465,863	2,328,588
Equity		
Issued capital	21,798,633	20,477,340
Share-based payments reserve	2,469,808	1,934,812
Accumulated losses	(4,440,047)	(4,662,884)
Total equity	19,828,394	17,749,268

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2019 and 30 June 2018.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2019 and 30 June 2018.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2019 and 30 June 2018.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 30. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2019 %	Ownership interest 2018 %
Kyckr Ireland Limited	Ireland	100.00%	100.00%
Kyckr UK Limited	UK	100.00%	-

Note 31. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2019 $	Consolidated 2018 $
Loss after income tax expense for the year	(6,125,773)	(3,547,445)
Adjustments for:		
Depreciation and amortisation	62,655	56,738
Impairment of goodwill	3,801,663	-
Share-based payments	534,996	337,763
Foreign exchange differences	(8,505)	35,974
Non-cash finance costs	6,355	37,322
Fair value gain on contingent consideration	(1,871,855)	(513,644)
Change in operating assets and liabilities:		
Increase in trade and other receivables	(52,116)	(186,830)
Increase in prepayments	(50,351)	(7,110)
Increase in trade and other payables	7,915	420,373
Increase in contract liabilities	88,200	37,636
Increase/(decrease) in employee benefits	13,670	(11,237)
Net cash used in operating activities	(3,593,146)	(3,340,460)

Note 32. Earnings per share

	Consolidated 2019 $	Consolidated 2018 $
Loss after income tax attributable to the owners of Kyckr Limited	(6,125,773)	(3,547,445)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	149,859,806	109,445,229
Weighted average number of ordinary shares used in calculating diluted earnings per share	149,859,806	109,445,229
	Cents	Cents
Basic earnings per share	(4.09)	(3.24)
Diluted earnings per share	(4.09)	(3.24)

For the purpose calculating the diluted earnings per share the calculation has excluded the number of options as the effect would be anti-dilutive.

Note 33. Share-based payments

The following options and performance rights were issued during the years ended 30 June 2019, 30 June 2018 and 30 June 2017:

- On 1 September 2016, 4,000,000 unlisted options were granted to brokers associated with the Initial Public Offering ('IPO') of the company. The exercise price of the options of $0.20 was equal to the IPO price. The contractual life of each option is four years.
- On 1 September 2016, 4,000,000 unlisted options were granted to Key Management Personnel. The exercise price of the options of $0.30 was 50% higher than the Initial Public Offering price. The options are exercisable upon meeting certain revenue targets within four years from the date of grant. The contractual life of each option is four years.
- On 1 September 2016, 20,000,000 performance rights were granted to certain Directors and key management personnel. The performance rights are exercisable at Nil value. 50% of the performance rights automatically convert upon the company achieving a turnover of $5 million or more as set out in the full year or half-yearly financial statements released to the ASX; and 5% of the Performance rights automatically convert upon the company achieving a turnover of $10 million or more as set out in its yearly or half-yearly financial statements released to the ASX. The contractual life of each performance right is four years.
- On 30 November 2016, 2,000,000 unlisted options exercisable at $0.30 were granted to senior executives under the Long Term Incentive Plan approved by shareholders at the Annual General Meeting held on 30 November 2016. The exercise price of the options of $0.30 was 22.45% higher than market price of the shares on the date of grant. The vesting of these options is conditional on continued employment until the vesting date, being two years from grant date. The contractual life of each option is four years.
- On 30 November 2016, 3,000,000 unlisted options exercisable at $0.30 were granted to non-executive directors as approved by shareholders at the Annual General Meeting held on 30 November 2016. The exercise price of the options of $0.30 was 22.45% higher than market price of the shares on the date of grant.
- On 2 January 2018, 2,000,000 unlisted options exercisable at $0.30 were granted to senior executives under the Long Term Incentive Plan approved by shareholders at the Annual General Meeting held on 30 November 2016. The exercise price of the options of $0.30 was 42.86% higher than the market price of the shares on the date of grant. The vesting of these options is conditional on continued employment until the vesting date, being 1 November 2019.
- On 10 August 2018, 1,000,000 unlisted options were granted to Benny Higgins, a director of the company. The exercise price of the options of $0.20 was 48% higher than the market price of the shares on the date of grant. The options vested immediately and the contractual life of each option is four years.
- On 10 August 2018, 1,000,000 unlisted options were granted to Benny Higgins, a director of the company. The exercise price of the options of $0.26 was 93% higher than the market price of the shares on the date of grant. The options vest on 1 March 2019 and the contractual life of each option is four years.
- On 10 August 2018, 1,000,000 unlisted options were granted to other management personnel. The exercise price of the options of $0.30 was 122% higher than the market price of the share at the date of the grant. The vesting of these options is conditional on continued employment until the vesting date, being 18 months from grant date. The contractual life of each option is four years.
- On 17 November 2018, the Board of Directors waived the employment condition attaching to performance rights issued to Mr Albert Wong who resigned as a Director of the company. Vesting conditions relating to the turnover of the Company remain with these rights and remain unvested as at 30 June 2019.
- On 3 December 2018, 1,500,000 unlisted options were granted to other management personnel. The exercise price of the options of $0.129 was 50% higher than the market price of the shares on the date of grant. The vesting of these options is conditional on continued employment until the vesting date, being 3 years from grant date. The contractual life of each option is four years.
- On 1 January 2019, 3,000,000 unlisted options were granted to Ian Henderson, the Chief Executive Officer of the company. The options are exercisable at $0.1005 expiring 1 January 2023 under the terms of the Long Term Incentive Plan approved by shareholders at the Annual General Meeting held on 30 November 2016. The vesting of these options is conditional on continued employment until the vesting date, being three year from grant date. The exercise price of $0.1005 was 50% higher than the market price of the shares on the date of grant.
- On 1 January 2019, 5,391,063 unlisted performance rights were granted to Ian Henderson in lieu of the first year's cash salary of £210,000. The performance rights have service-based vesting conditions only. The vesting date is 1 January 2020, expiring 1 April 2020. Once the vesting conditions are met, the performance rights will be exercisable at nil cost.

Note 33. Share-based payments (continued)

Set out below are summaries of options granted under the plan:

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/01/2019	01/01/2023	$0.10	-	3,000,000	-	-	3,000,000
03/12/2018	03/12/2022	$0.13	-	1,500,000	-	(1,500,000)	-
10/08/2018	10/08/2022	$0.20	-	1,000,000	-	-	1,000,000
10/08/2018	10/08/2022	$0.26	-	1,000,000	-	-	1,000,000
10/08/2018	10/08/2022	$0.30	-	1,000,000	-	(1,000,000)	-
02/01/2018	02/01/2022	$0.30	2,000,000	-	-	-	2,000,000
30/11/2016	30/11/2020	$0.30	2,722,222	-	-	-	2,722,222
30/11/2016	30/11/2020	$0.30	2,000,000	-	-	-	2,000,000
01/09/2016	01/09/2020	$0.30	4,000,000	-	-	-	4,000,000
01/09/2016	01/09/2020	$0.20	4,000,000	-	-	-	4,000,000
			14,722,222	7,500,000	-	(2,500,000)	19,722,222
Weighted average exercise price			$0.27	$0.17	$0.00	$0.00	$0.24

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
02/01/2018	02/01/2022	$0.30	-	2,000,000	-	-	2,000,000
30/11/2016	30/11/2020	$0.30	3,000,000	-	-	(277,778)	2,722,222
30/11/2016	30/11/2020	$0.30	2,000,000	-	-	-	2,000,000
01/09/2016	01/09/2020	$0.30	4,000,000	-	-	-	4,000,000
01/09/2016	01/09/2020	$0.20	4,000,000	-	-	-	4,000,000
			13,000,000	2,000,000	-	(277,778)	14,722,222
Weighted average exercise price			$0.27	$0.30	$0.00	$0.30	$0.27

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	2019 Number	2018 Number
10/08/2018	10/08/2022	2,000,000	-
30/11/2016	30/11/2020	2,722,222	2,722,222
01/09/2016	01/09/2020	4,000,000	4,000,000
		8,722,222	6,722,222

The weighted average share price during the financial year was $0.0757.

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.08 years (2018: 2.44 years).

Note 33. Share-based payments (continued)

Set out below are summaries of performance rights granted under the plan:

2019

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/09/2016	01/09/2020	$0.00	7,000,000	-	-	-	7,000,000
01/01/2019	01/04/2020	$0.00	-	5,391,063	-	-	5,391,063
			7,000,000	5,391,063	-	-	12,391,063

2018

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
01/09/2016	01/09/2020	$0.00	7,000,000	-	-	-	7,000,000
			7,000,000	-	-	-	7,000,000

No performance rights are exercisable at the end of the year.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 0.99 years (2018: 2.18 years).

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
10/08/2018	10/08/2022	$0.14	$0.20	89.22%	-	2.32%	$0.08
10/08/2018	10/08/2022	$0.14	$0.26	89.22%	-	2.32%	$0.07
10/08/2018	10/08/2022	$0.14	$0.30	89.22%	-	2.32%	$0.07
03/12/2018	03/12/2022	$0.09	$0.13	99.57%	-	2.27%	$0.05
01/01/2019	01/01/2023	$0.07	$0.10	96.28%	-	1.99%	$0.04

For the performance rights granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/01/2019	01/04/2020	$0.07	96.28%	-	1.99%	$0.07

Note 34. Events after the reporting period

On 7 August 2019, the company issued 32,350,159 ordinary shares at a price of $0.066 per share to institutional and sophisticated investors. The total proceeds from the issuance of these securities amounted to $2,135,110.

On 13 September 2019, shareholders ratified the issue of securities at the Extraordinary General Meeting. In accordance with the approval by shareholders, the company issued 46,000,000 ordinary shares at a price of $0.066 per share to institutional and sophisticated investors. The total proceeds of the issuance of these securities amounted to $3,036,000.

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

In the directors' opinion:

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

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

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

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

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

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

On behalf of the directors

Benny Higgins Chairman	John Van Der Wielen Director

27 September 2019
Sydney

Nexia Australia

Independent Auditor's Report to the Members of Kyckr Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Kyckr Limited (the Company and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2019, the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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 2019 and of its financial performance for the year then ended; and

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

Basis for opinion

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

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

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter	How our audit addressed the key audit matter
Recoverability of goodwill *Refer to note 13* The carrying value of the Group's intangible assets included goodwill of $8,448,416 arising from the acquisition of Kyckr Ireland during the 2017 financial year. The assessment of recoverability of the goodwill required a significant degree of management judgement given the short trading history of the Group, the early lifecycle stage, and the inherent uncertainties in the key assumptions used in the assessment of future cash flows in particular revenues, earnings before interest and the discount rate.	Our procedures included, amongst others: ▪ We evaluated management's process for developing the cash flow forecasts; ▪ We tested the mathematical accuracy of the underlying 'value-in-use' calculations; ▪ We assessed and challenged the appropriateness of the inputs into management's calculations as follows: – Comparing and calculating revenue and expense cash flows with historical performance and new business avenues announced to the market; – Comparing the forecasted cash flows estimated in prior periods to financial performance during the current financial year; – Comparing growth rates with the performance of other IT start-ups; – Recalculating the discount rate using the most current risk free rates, market alpha, beta and risk premium estimates; ▪ We performed sensitivity calculations for changes to the key inputs to management's model; ▪ We compared the net assets of the Group to the Group's market capitalisation during the 3 months post year-end, including consideration of the factors impacting the share price and activities undertaken by the group.

Other information

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

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

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

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

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

Auditor's responsibility for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_files/ar1.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 22 of the directors' Report for the year ended 30 June 2019.

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

Responsibilities

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

Nexia

Nexia Sydney Partnership

Lester Wills
Partner

Dated: 27 September 2019
Sydney

The shareholder information set out below was applicable as at 26 September 2019.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of options and rights over ordinary shares
1 to 1,000	34	-
1,001 to 5,000	435	-
5,001 to 10,000	366	-
10,001 to 100,000	748	-
100,001 and over	163	20
	1,746	20
Holding less than a marketable parcel	32	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Mr Richard John White	45,435,000	19.81
HSBC Custody Nominees (Australia) Limited	17,444,776	7.61
Merrill Lynch (Australia) Nominees Pty Limited	13,416,138	5.85
Bell Potter Nominees Ltd (BB Nominees A/C)	10,626,613	4.63
Mr Benjamin Cronin	8,519,129	3.72
National Nominees Limited	8,038,892	3.51
Mr Robert Henry Leslie	6,619,247	2.89
Mr David Cassidy	4,930,212	2.15
Dixson Trust Pty Limited	4,500,000	1.96
Mr John Murray	4,230,703	1.84
Mr Richard Wood	4,230,703	1.84
Citicorp Nominees Pty Limited	3,266,508	1.42
BNP Paribas Noms Pty Ltd (Drp)	3,055,885	1.33
Mr Benjamin Cronin & Mr Robert Henry Leslie (GBR Emp Stock Opt A/C)	2,998,163	1.31
Pershing Australia Nominees Pty Ltd (Accum A/C)	2,851,994	1.24
Global Business Register Asia Pacific Pte Ltd	2,482,872	1.08
Mr Peter Howells	2,100,000	0.92
Mark Steven Kane	1,900,000	0.83
Coolpanda Pty Ltd (Coolpanda Family Super A/C)	1,800,000	0.78
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd Drp	1,795,000	0.78
	150,241,835	65.50

Unquoted equity securities

	Number on issue	Number of holders
Options over ordinary shares issued	19,722,222	13
Performance rights over ordinary shares	25,391,063	7

The following persons hold 20% or more of unquoted equity securities:

Name	Class	Number held
Mr Robert Leslie	Performance rights over ordinary shares	6,500,000
Mr Benjamin Cronin	Performance rights over ordinary shares	6,500,000
Mr Ian Henderson	Performance rights over ordinary shares	5,391,063

Substantial holders

Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Mr Richard John White	45,435,000	19.81
HSBC Custody Nominees (Australia) Limited	17,444,776	7.61
Merrill Lynch (Australia) Nominees Pty Limited	13,416,138	5.85

Voting rights

The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Kyckr