YOJEE LIMITED
ANNUAL REPORT 2019

Built in the cloud, changing the way freight moves by road.

Yojee™

In just 12 months for our young company...

4

GLOBAL LEADERS UTILISE YOJEE

50

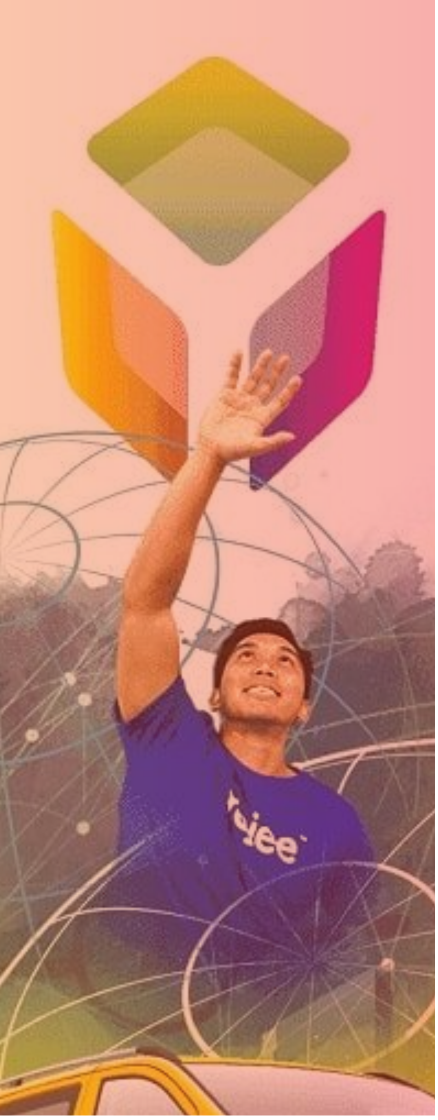
CLOSING IN ON 50 CLIENTS

65%

65% OPERATING EFFICIENCY GAINS REPORTED BY CUSTOMERS

25%

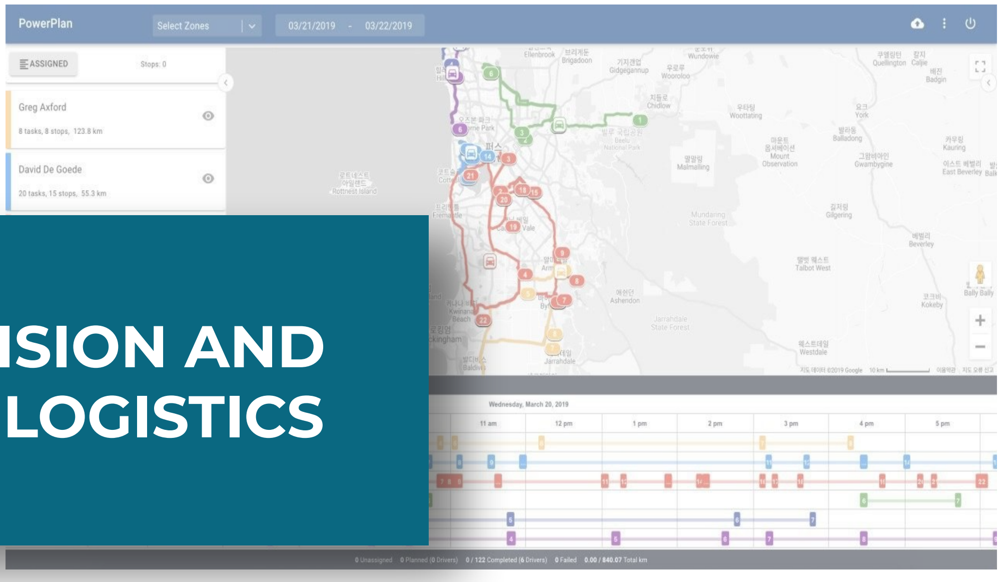
25% COST SAVINGS EXPERIENCED BY CUSTOMERS



ABOUT YOJEE

Yojee is a new leader in logistics technology. Focused on making complex supply chain and freight operations simple. We build networks from sender to carrier to subcontractor to recipient where cost optimisation, visibility and customer experience are critical.

We sit uniquely in the middle of the market, where legacy technology is expensive and takes many years to deploy, and startup delivery software has limited use case support and handles only lower volumes for last mile delivery.



POWER, PRECISION AND SIMPLICITY IN LOGISTICS

Our seamless solutions provide unparalleled performance and visibility in an easy to manage platform. We drive revenue growth and operating margins whilst reduce time to payment with AI powered APIs and beautiful customer focused interfaces.

Everyday, Yojee meets clients across Asia Pacific, works with customers with locations in almost every country in the world and empowers its uniquely skilled team to drive customer lead improvement into the product and bring new customers onto the platform.

CONTENTS

CHAIRMAN'S LETTER

Mr Ray Lee
Non Executive Chairman

Dear Shareholder,
It is a pleasure to present the Yojee 2019 Annual Report.

A YEAR OF BOTH INNOVATION AND STRONG GROWTH

The 2019 year has been a foundational one for Yojee, with the release of our version two platform that takes us to the leading edge of industry.

Yojee's proprietary, innovative technology has moved us from the idea stage to signing and working with some of the largest companies in the world.

We now have an agile, intelligent platform fit for companies of all sizes, with time taken to ensure user experience is simple and intuitive, and company experience is one of greater efficiency and transparency with faster time to payment.

We continue to invest in technology and provide market leading innovations across network and subcontractor management, artificial intelligence all the way through to customer led improvements.

Having spent many years in Ports and Logistics, I am confident in saying that Yojee is the most transformative young technology company I have encountered. I look forward to working with the Yojee team to turn it into a global company, synonymous within supply-chain and real time logistics across the globe.

GOVERNANCE

The Board and Management are committed to achieving the highest standards of professional conduct. The company remains committed to regular board meetings with strong strategic and financial oversight.

The Board and Management view our commitment to governance as part of our responsibility to Shareholders, Staff, Customers and the locations in which we operate.

MANAGEMENT

The company has continued to enhance the Management team and build the appropriate foundations and skills to scale rapidly across multiple jurisdictions.

OUTLOOK

Following the onboarding of our new major clients and with the health of the current pipeline, I am looking forward to a positive year ahead with strong growth and the addition of new key accounts and continued revenue growth

Ray Lee,
Chairman

MANAGING DIRECTOR'S REPORT

Mr Ed Clarke

TO OUR SHAREHOLDERS, CUSTOMERS AND TEAM

Yojee was created because the world is now supply chain centric and product adapted. Today every commodity, industrial part, vehicle, food and product is built around the landed cost to market.

Yojee had the people and vision to identify this when it began to build its technology just a few years ago, when the industry commenced operating at breaking point due to the rise of ecommerce. Today we are taking technology to market that solves the sector's biggest problems and creates efficiency and new opportunity.

Over the last twelve months, we have released a technology platform that is globally unique, commercially competitive and industry validated. I am very proud of our team for achieving this whilst streamlining costs and showing consistent growth in receipts and reduction in spend.

Recently, we commenced the next evolution in our company's growth, built around expert support, enhanced management and a fully customer centric operational model. So much so that we now have an advisory team full of global leaders, a Chief (Customer) Experience Officer and an organisational structure aligned to the current and next customer base.

Whilst we never stop innovating and enhancing our product, the huge, high execution risk components of our platform are now live and stable, meaning we can focus on what makes our customers days better, not finding enough features to achieve product market fit. Our Artificial Intelligence is industry leading for its ease of use, speed to decision and the ability to 're-optimise' during live operations.

I am confident that we have established ourselves as a leader in both understanding our customers and technology, the two most difficult components out of the three pillars of young technology companies. The third pillar, sales, comes through product market fit, stable technology and continued activity in the market.

Recently, we have seen global leaders become customers, multiple use cases beyond our initial hopes for the platform and innovative supply chain models such as omni-channel appear of the back of our standard product offerings.

The company's ability to return one dollar for every one dollar spent on sales and marketing in quarter shows that there is a scalable engine in place and is in fact a difficult to achieve ratio for young companies. It is for this reason that I am confident that our company can achieve great scale and strong sustainable growth.

Like all enterprise customer successes, there is a deployment period to each and every deployment so we focus on successfully deploying each and every location and allow the revenue to build towards its full potential. The nature of our technology enables us to do this much faster and more cost effectively than our competitors.

Additionally we have an extremely healthy pipeline of hundreds of potential client who we can deploy and monetise rapidly to take the company towards profitability.

TECHNOLOGY AND PRODUCT

Over 980 individual platform and product upgrades

309 APIs

Technology Report

Scalability & Agile Implementations
During the 2019 Financial Year the company made tremendous progress in both implementing a new platform, based on elixir technology along with some major features and functionality including:

- ➔ Mass, real time optimisation engine
- ➔ 'Click to add' seamless partner integrations
- ➔ BoxApp, deliver and chat Beta Program
- ➔ Cross Border Functionality
- ➔ Bulk freight support
- ➔ Automated Zones, hubs and networks

EASY TO USE, FAST TO DEPLOY, AND GREAT FOR POWERING GROWTH

STRONG EARLY GROWTH

Cash Receipts up 74% YoY with 1:1 ratio, dollars spent on sales and marketing to cash receipts in quarter

Closing in on 50 clients

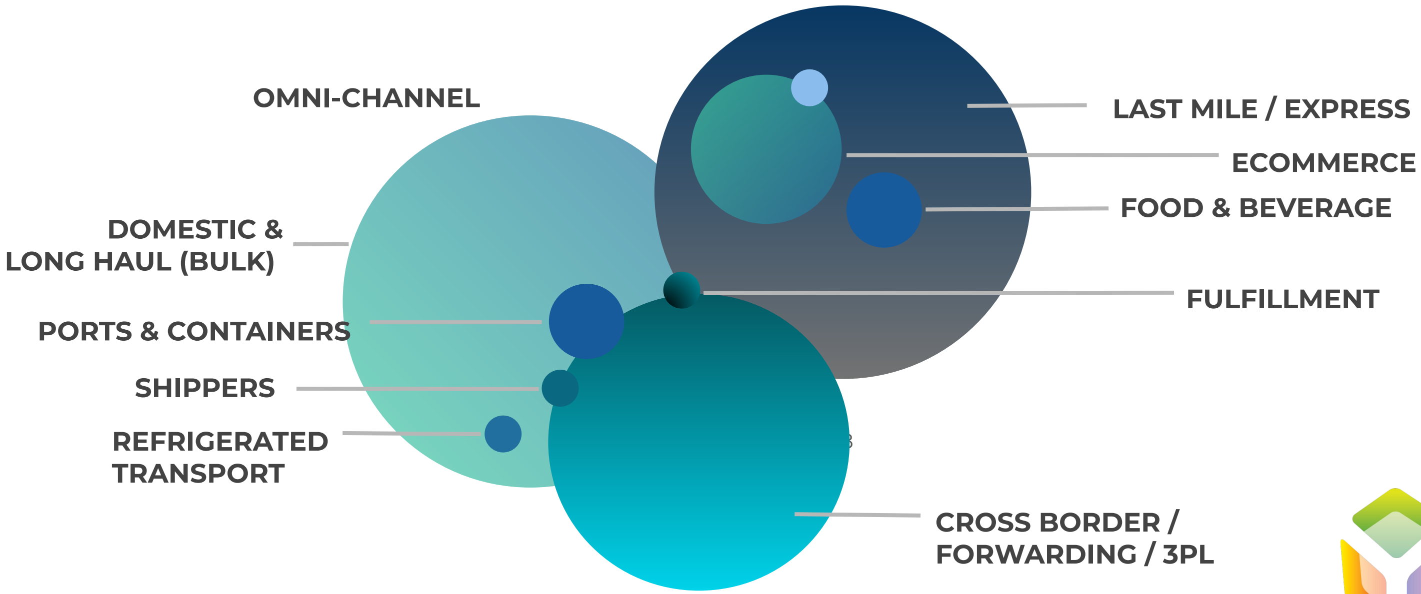
Multi-Million dollar pipeline with visibility and engagement on over 2000 hubs across the region

Growing rapidly for young technology

Wide use case and sector support
Localised software in any language for all businesses of all sizes, the company has been deploying to new customers across Australia, Indonesia, Singapore, Malaysia and Cambodia.

The company is continually maturing and refining it's sales and marketing programs based on market feedback and success rates, looking to continually drive down cost and time to acquisition and increase conversion rates.

The company has a very healthy and advanced customer pipeline and a strong partner network being built across the world.



VALIDATION : Customer Stories

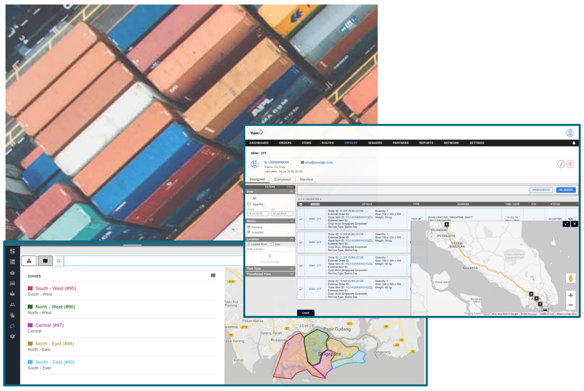
65% efficiency gains reported across administration and operations.

Additional 25% cost savings using Yojee software over legacy operations

4 Global top 10 customers select Yojee

Customers and Partners

AUSTRALIA



- Clients across wharf cartage, line haul, freight forwarding and courier
- Strong pipeline and network partnership opportunities
- Customers Include SILA Global, Telstra Group South East

ASIA PACIFIC

- Use case established in the Omnichannel sector, supporting Retail ambitions for the delivery of any product, anywhere.
- Multiple clients, across different verticals of the freight sector - including cross border development and innovation in the 'line haul' space.
- Multiple global leaders across different sectors chose Yojee for visibility and efficiency

GREEN AND SOCIALLY RESPONSIBLE

YOJEE WORKS WITH THE INDUSTRY TO REDUCE CARBON EMISSIONS AND CONGESTION, AND PROVIDE SMEs ACCESS TO THE DIGITAL WORLD.

Reductions of 30% in kilometres shown when tested against manual methods saving carbon and congestion

Yojee can take businesses paperless

PEOPLE AND CULTURE

FOCUS

EXCELLENCE

COURAGE

FUN

A MOTIVATED, ENGAGED AND TALENTED TEAM

A unique blend of logistics experience, technology leadership and hunger for success makes Yojee special.

Yojee invests heavily in people and culture, with a comprehensive engagement, feedback, review and reward framework. With staff across the world, the company provides continuous measurable engagement programs and seeks to be a first choice employer across markets.

Additionally, the company has enhanced its management team, strengthened its board and established an advisory board to support both management and staff.

SUMMARY AND OUTLOOK

With Yojee now having some time behind the version two product, the company is continuing to better focus in on the customer and the customers requirements through feedback and user behaviour data.

This along with the growth of existing small & medium enterprise and global leader accounts along with clients in advanced discussions across small businesses to some of the largest companies in the world puts Yojee in a strong position to scale in FY2020.

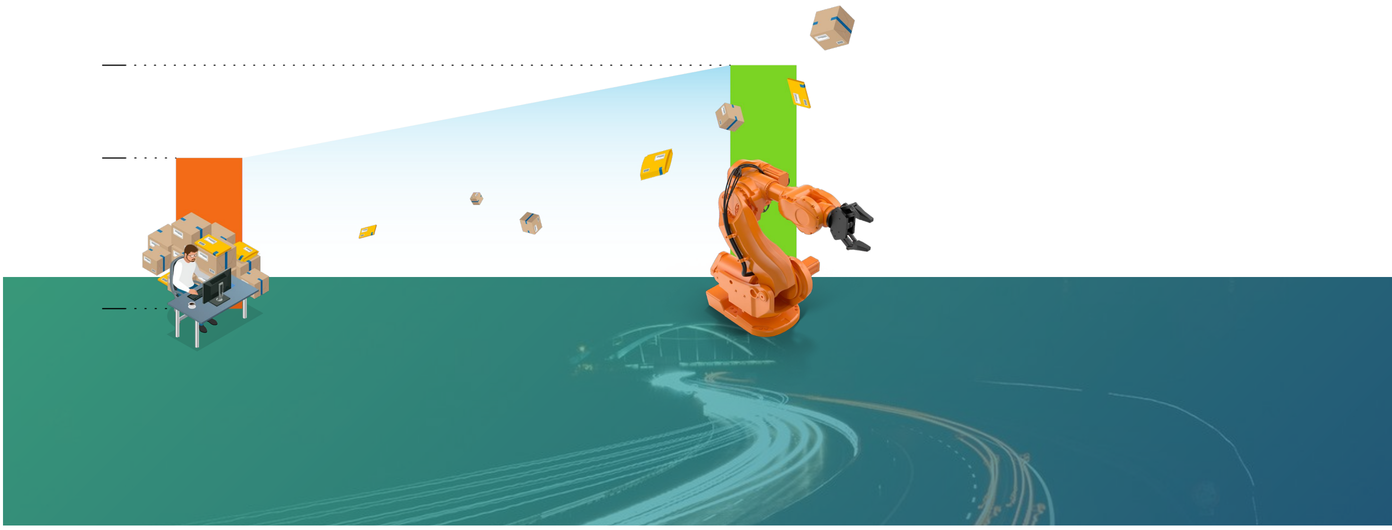
The companies growth trajectory along with continued control over spend and its relationship to revenue put it on par with other successful companies when at a similar age.

For that reason we are looking forward to a strong FY2020 with happy existing customers, rapidly adding new customers and ongoing growth in revenue.

Ed Clarke,
Managing Director

SUMMARY

FORWARD LOOKING STATEMENT AND DISCLAIMER
Please note that images used in the Company's Annual Report Presentation are to illustrate concepts only and are not intended to represent commercial Yojee images. Certain statements contained in this Annual Report Presentation, including information as to the future financial or operating performance of the Company and its projects, are forward looking statements. Such forward looking statements:
(a) are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies;
(b) involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward looking statements; and
(c) may include, among other things, statements regarding estimates and assumptions in respect of prices, costs, results and capital expenditure, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions. The Company disclaims any intent or obligation to publicly update any forward looking statements, whether as a result of new information, future events or results or otherwise.
The words "believe", "expect", "contracted", "anticipate", "indicate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule", "planned" and similar expressions identify forward looking statements. All forward looking statements contained in this Annual Report Presentation are qualified by the foregoing cautionary statements. Recipients are cautioned that forward looking statements are not guarantees of future performance and accordingly recipients are cautioned not to put undue reliance on forward looking statements due to the inherent uncertainty therein.



FINANCIAL STATEMENTS

ASX: YOJ

APPENDIX 4E
Preliminary final annual report for the year ended 30 June 2019

Results for announcement to the market for the year ended 30 June 2019.

Against previous corresponding period 30 June 2018.

				30 June 2019
				$'000
Revenues from ordinary activities	UP	99%	to	1,375
(Loss) after tax attributable to members	UP	35%	to	(3,716)
(Loss) for the period attributable to members	UP	35%	to	(3,716)
	30 June 2019			**30 June 2018**
	Cents			**Cents**
Net Tangible Assets per security	0.345			0.223

Dividends (distributions)	Amount per security	Franked amount per security
Final dividend	NIL	NIL
Interim dividend	NIL	NIL
Previous corresponding period	NIL	NIL
Record date for determining entitlements to the dividend.	No dividends are proposed	

Accompanying this Appendix 4E is the full final audited Annual Report of Yojee Limited for the year ended 30 June 2019. This Appendix 4E should be read in conjunction with the Annual Report, which is lodged contemporaneously with this document.

ED Clarke
Managing Director
Reporting Period: 30 June 2019

\- **ENDS** -

ABN: 52 143 416 531

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

CORPORATE DIRECTORY

BOARD OF DIRECTORS
Ray Lee
Chairman

Ed Clarke
Managing Director

Shannon Robinson
Non-Executive Director

Gary Flowers
Non-Executive Director

COMPANY SECRETARY
Sonu Cheema

REGISTERED OFFICE
Suite 9 330 Churchill Ave
Subiaco WA 6008

Telephone: (+61) 08 6489 1600
Facsimile: (+61) 08 6489 1601

www.yojee.com

LAWYERS
Edward Mac Scovell
Level 7, AMP Building
140 St Georges Terrace
PERTH WA 6000

AUDITOR
Grant Thornton Audit Pty Ltd
Collins Square, Tower 5
727 Collins Street
DOCKLANDS VIC 3008

SHARE REGISTRY
Computershare Investor Services Pty Ltd
Level 2, 45 St Georges Terrace
PERTH WA 6000

STOCK EXCHANGE LISTING
Australian Securities Exchange (ASX)
ASX Code: YOJ

CONTENTS

DIRECTORS' REPORT

The Directors of Yojee Limited (the "Company") and its subsidiaries (collectively, the "Group") submit herewith their report and the consolidated financial statements of the Group for the financial year ended 30 June 2019. In order to comply with the provisions of the *Corporations Act 2001,* the Directors report as follows:

DIRECTORS

The names and details of the Company's Directors at any time during or since the end of the financial year are outlined below. Unless otherwise disclosed, all Directors held their office from 1 July 2018 until the date of this report.

Mr Ray Lee – Chairman (Appointed 9 March 2017)

Mr Lee is a well-respected port development, port management and operations executive, with over forty years international industry experience. He established Portside Solutions in 2007 and has successfully consulted on significant projects for global companies including and currently, APM Terminals and DP World Australia. Portside Solutions has been engaged in examining pit to port solutions for multiple mining companies throughout Africa, South America and Australia. With offices in Dubai, Canada and Australia, Portside Solutions delivers a broad portfolio of services globally.

Mr Edward Clarke – Managing Director (Appointed 26 May 2016)

Mr Clarke is an experienced technology entrepreneur with a background in taking innovative technology platforms to market in areas such as real-time communication, big data marketing and e-commerce. As Vice President of Sales for Temasys Communications Pte Ltd, Mr Clarke was part of a team that IBM recognised as a "Top 5 global start-up to watch in 2014". More recently Mr Clarke has been working as Vice President of Sales and Marketing with Silicon Valley and Asia venture capitalist backed marketing technology platform Ematic which now has over 200 of South East Asia's leading e-commerce retailers as clients.

Ms Shannon Robinson - Non-Executive Director (Appointed 20 January 2016)

Ms Robinson specialises in providing corporate and strategic advice in relation to acquisitions and mergers, capital raisings, listing of companies on stock exchanges (ASX & AIM), due diligence reviews and legal compliance and managing legal issues associated with activities undertaken by clients. Ms Robinson is a former corporate lawyer having gained extensive corporate experience as a solicitor at boutique corporate law firms. Ms Robinson has been a director of several ASX and AIM listed companies and is currently a non-executive director of Yojee Limited (ASX: YOJ) and an executive director of HomeStay Care Limited (ASX: HSC).

Mr Gary Flowers – Non-Executive Director (Appointed 1 May 2019)

Mr Flowers has extensive listed company experience and is widely recognised for transforming organisations where culture is valued as a sustainable advantage; engaging staff, stakeholders and the public. Mr Flowers has been integral in establishing brands on a global stage across Australia, New Zealand, Asia, Europe, Middle East and the USA, primarily across three distinctive industry sectors, Professional Services, Sports & Media, and Property. Mr Flowers currently serves in the capacity of Chairman for Mainbrace Constructions Pty Ltd, NSW Institute of Sport and EMM Consulting.

Mr Jason Marinko – Executive Director (Appointed 13 November 2017, Resigned 30 April 2019)

Mr Marinko has extensive senior corporate executive and equity capital markets experience. He previously held senior positions at investment banks, where he managed equity capital raisings for private and public companies and advised on small and mid-cap mergers and acquisitions. Mr Marinko was formerly the chairman of Spookfish Limited (ASX: SFI) and the CEO of Little Creatures Brewing. Mr Marinko is a Fellow of the Financial Services Institute of Australasia (FINSIA), a graduate of the Australian Institute of Company Directors (AICD) and has an MBA from INSEAD Business School in France.

Mr Sonu Cheema - Company Secretary (Appointed 26 May 2016)

Mr Cheema holds the position of Accountant and Company Secretary for Cicero Corporate Services Pty Ltd with experience working with public and private companies in Australia and abroad. Roles and responsibilities conducted by Mr Cheema include completion and preparation of management & ASX financial reports, investor relations, Initial Public Offer (IPO), mergers & acquisitions, management of capital raising activities and auditor liaison. Mr Cheema has completed a Bachelor of Commerce majoring in Accounting at Curtin University and is a CPA member.

PRINCIPAL ACTIVITIES

Yojee is a company focused on developing a sharing-economy based logistics technology through the creation of the Yojee delivery network and secure blockchain technology platform ("Platform"), initially targeting the Asia-Pacific region. The Platform will be an international collaborative economy technology platform aiming to provide seamless and efficient, on-demand movement of goods and services where and when they are needed. Yojee was founded on the basis that opportunities in e-commerce are growing at a rapid rate, the global population is embracing the sharing-economy and the traditional logistics model provides an opportunity for implementation of these newer technologies, in particular in jurisdictions with immature transport networks.

EVENTS SUBSEQUENT TO REPORTING DATE

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

DIVIDENDS

No dividend has been declared or paid since the incorporation of the Group on 30 April 2010 and the Directors do not recommend the payment of any dividend in respect of the financial year ended 30 June 2019.

SHARE OPTIONS

Options over ordinary shares of Yojee Limited at the date of this report are as follows:

Item	Opening Balance	Exercise Price of Options	Options Cancelled	Granted Options	Closing Balance	Expiry Date of Options
Unlisted Options[1]	17,000,000	$0.02	-	-	17,000,000	27 May 2021
Unlisted Options[2]	22,000,000	$0.07	(9,000,000)	-	13,000,000	27 May 2021
Unlisted Options[3]	11,000,000	$0.07	-	-	11,000,000	9 June 2020
Unlisted Options[4]	17,500,000	$0.20	(15,000,000)	-	2,500,000	29 Dec 2020
Unlisted Options[5]	-	$0.15		26,666,644	26,666,644	23 Jan 2020
	67,500,000	-	**(24,000,000)**	**26,666,644**	**70,166,644**	

[1] Unquoted Options exercisable at $0.02 each on or before the date that is 5 years from the date of issue of the Options.
[2] 3,000,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.07 per Share (exercisable at $0.07 on or before the fifth anniversary of the date on which they were issued);
3,000,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.10 per Share (exercisable at $0.07 on or before 27 May 2021);
3,000,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.15 per Share (exercisable at $0.07 on or before 27 May 2021); and
4,000,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.20 per Share (exercisable at $0.07 on or before 27 May 2021).
[3] 2,500,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.07 per Share (exercisable at $0.07 on or before 9 June 2020);
2,500,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.10 per Share (exercisable at $0.07 on or before 9 June 2020);
3,000,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.15 per Share (exercisable at $0.07 on or before 9 June 2020); and
3,000,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.20 per Share (exercisable at $0.07 on or before 9 June 2020).
[4] 2,500,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.25 per Share (exercisable at $0.20 on or before 29 December 2020);
[5] 26,666,644 one for three free attaching unquoted placement options exercisable at $0.15 on or before 23 January 2020.

REMUNERATION REPORT (AUDITED)

The Directors of Yojee Limited present the Remuneration Report prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

The remuneration report is set out under the following main headings:

a. Principles used to determine the nature and amount of remuneration
b. Details of remuneration
c. Service agreements
d. Share-based remuneration
e. Other information

a. Principles used to determine the nature and amount of remuneration

The remuneration of the Group has been designed to align Director and Executive objectives with shareholder and business objectives by providing a fixed remuneration component and offering long-term incentives based on key performance areas. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best Executives and Directors to run and manage the Group, as well as create goal congruence between Directors, Executives and shareholders.

Executive Director Remuneration

In determining the level and make-up of executive remuneration, the Board negotiates a remuneration to reflect the market salary for a position and individual of comparable responsibility and experience. Due to the limited size of the Group and of its operations and financial affairs, the use of a separate remuneration committee is not considered appropriate. Remuneration is regularly compared with the external market by participation in industry salary surveys and during recruitment activities generally. If required, the Board may engage an external consultant to provide independent advice in the form of a written report detailing market levels of remuneration for comparable executive roles. No external remuneration consultant was used during the year.

All remuneration paid to Directors and Executives is valued at the cost to the Group and expensed. Options are valued using either the Black-Scholes, Monte Carlo or Trinomial Barrier methodology.

Non-Executive Director Remuneration

Non-Executive Directors' fees are paid within an aggregate limit which is approved by the shareholders. The limit of Non-Executive Director fees was set at a maximum of $250,000 at a Board meeting held on 12 May 2010. Retirement payments, if any, are agreed to be determined in accordance with the rules set out in the *Corporations Act 2001* at the time of the Director's retirement or termination. Non-Executive Directors' remuneration may include an incentive portion consisting of bonuses and/or options, as considered appropriate by the Board, which may be subject to shareholder approval in accordance with the ASX Listing Rules.

Performance-Based Remuneration

Remuneration packages do not include performance-based components. An individual member of staff's performance assessment is done by reference to their contribution to the Group's overall operational achievements.

Relationship between the remuneration policy and company performance

The table below sets out summary information about the Group's earnings and movements in shareholder wealth.

	30 June 2019 $	30 June 2018 $	30 June 2017 $	30 June 2016 $	30 June 2015 $
Net loss after tax	(3,716,377)	(5,691,864)	(1,863,076)	(6,215,427)	(1,683,387)
Dividends (cents per share)	-	-	-	-	-
Share price	$0.085	$0.135	$0.073	$0.060	$0.030
Basic EPS (cents)	(0.44)	(0.88)	(0.48)	(5.12)	(4.05)
Diluted EPS (cents)	(0.44)	(0.88)	(0.48)	(5.12)	(4.05)

The remuneration of the Directors is not linked to the performance, share price or earnings of the Group.

Voting and comments made at the company's last Annual General Meeting

Yojee Limited received no votes against its Remuneration Report for the financial year ended 30 June 2018. The company received no specific feedback on its Remuneration Report at the Annual General Meeting held on 28 November 2018.

b. Details of Remuneration

Details of the nature and amount of each element of the remuneration of each key management personnel of Yojee Limited are as follows:

30 June 2019	Short-term benefits	Post-employment	Equity based compensation		
Directors	Salary and Fees $	Superannuation $	Shares $	Options $	Total $
Executive Directors					
Mr E Clarke[1]	245,640	-	-	27,436	273,076
Mr J Marinko[2]	165,029	15,678	-	(400,926)	(220,219)
Non-Executive Directors					
Mr R Lee	60,000	5,700		81,268	146,968
Ms S Robinson	37,167	3,531	-	-	40,698
Mr G Flowers	8,000	760	-	-	8,760
	515,836	**25,669**	**-**	**(292,222)**	**249,283**

[1] Mr Ed Clarke is engaged in a managing director capacity for Yojee Ops Pte Ltd, a wholly-owned subsidiary company of Yojee Limited that is based in Singapore. Fees are paid in Singapore dollars ("SGD") and are converted at the average rate for the financial year ended 30 June 2019.

[2] Mr J Marinko's 15,000,000 unvested options were cancelled upon his resignation as a Director of Yojee Limited. The equity-based compensation in the table above is reflective of the cancellation of these options.

30 June 2018	Short-term benefits	Post-employment	Equity based compensation		
Directors	Salary and Fees $	Superannuation $	Shares $	Options $	Total $
Executive Directors					
Mr E Clarke[1]	224,837	-	-	66,471	291,308
Mr J Marinko	100,000	9,500	-	610,451	719,951
Non-Executive Directors					
Mr R Lee	60,000	5,700	-	142,404	208,104
Ms S Robinson	35,000	3,325	-	-	38,325
	419,837	**18,525**	**-**	**819,326**	**1,257,688**

[1] Mr Ed Clarke is engaged in a managing director capacity for Yojee Ops Pte Ltd, a wholly-owned subsidiary company of Yojee Limited that is based in Singapore. Fees are paid in Singapore dollars ("SGD") and are converted at the average rate for the financial year ended 30 June 2018.

c. Service Agreements

On 25 May 2016, the Company engaged Cicero Corporate Services Pty Ltd for administrative and company secretarial services. Cicero Corporate Services Pty Ltd is paid $8,800 per month for these services.

d. Share-based Remuneration

<u>Options Issued as Part of Remuneration for the financial year ended 30 June 2019</u>

No options were issued during the year as part of the compensation.

<u>Shares Issued as Part of Remuneration for the financial year ended 30 June 2019</u>

No shares were issued during the year as part of the compensation.

e. Other Information

The following table provides details of shares and options held by Key Management Personnel.

Share and Option holdings of Directors and Key Management Personnel or their nominees

The relevant interest of each director in the shares and options over such shares issued by the companies within the Group and other related bodies corporate, as notified by the directors to the ASX in accordance with S205G(1) of the *Corporations Act 2001*, as at 30 June 2019 is as follows:

2019	Shares		Options			
	Ordinary Shares No.	Performance Shares No.	Options No.	Exercise Price $	First exercise date	Last exercise date
Mr R Lee	-	-	5,000,000	$0.07	-	9 Jun 2020
Mr E Clarke	-	-	13,000,000	$0.07	-	27 May 2021
Ms S Robinson	17,700,000	-	5,000,000	$0.02	-	27 May 2021
Mr G Flowers	-	-	-	-	-	-
Mr J Marinko	-	-	2,500,000	$0.20	-	29 Dec 2020

The movement during the reporting year in the number of options over ordinary shares in Yojee Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2019	Opening Balance	Granted as Compensation	Exercised	Other Changes (Cancelled)	Vested and exercisable at 30 June 2019	Unvested at 30 June 2019
Mr R Lee	5,000,000	-	-	-	5,000,000	-
Mr E Clarke	13,000,000	-	-	-	13,000,000	-
Ms S Robinson	5,000,000	-	-	-	5,000,000	-
Mr J Marinko	17,500,000	-	-	15,000,000	2,500,000	-
Mr G Flowers	-	-	-	-	-	-
Total	**40,500,000**	**-**	**-**	**15,000,000**	**25,500,000**	**-**

Shareholdings by Directors and Key Management Personnel or their nominees

2019	Opening Balance	Conversion of Options	Compensation	Purchased/ (Sold)	Balance 30 June 2019
Mr R Lee	-	-	-	-	-
Mr E Clarke	-	-	-	-	-
Ms S Robinson	17,700,000	-	-	-	17,700,000
Mr J Marinko	-	-	-	-	-
Mr G Flowers	-	-	-	-	-
Total	**17,700,000**	**-**	**-**	**-**	**17,700,000**

f. Loans/Payables to Key Management Personnel

As at 30 June 2019, there were no loans or payables to the Group Key Management Personnel.

g. Other transactions with Key Management Personnel

There are no other transactions with Key Management Personnel during the financial year ended 30 June 2019 other than those detailed above.

DIRECTORS' MEETINGS

The following table sets out the number of Directors' meetings held during the financial year ended 30 June 2019 and the number of meetings attended by each Director. During the period, 8 Board meetings were held. There is no separate nomination, remuneration or audit committee.

Name	Board Meetings		
	Held	Eligible to attend	Attended
Mr R Lee	8	8	8
Mr E Clarke	8	8	8
Ms S Robinson	8	8	8
Mr G Flowers	8	1	1
Mr J Marinko	8	7	7

INDEMNIFICATION OF OFFICERS AND AUDITORS

During the financial year, the Group renewed a premium in respect of a contract insuring the Directors of the Group (as named above), the company secretary and all executive officers of the Group and of any related body corporate against a liability incurred as such as a director, secretary or executive officer 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.

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

NON-AUDIT SERVICES

The Directors are satisfied that the provision of the non-audit services, during the year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standards of independence for auditors imposed by the *Corporations Act 2001*.

No officers of the Group are former partners of Grant Thornton.

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.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration under s.307C of the Corporation Act 2001 in relation to the audit of the full year is included in page 10.

Grant Thornton Audit Pty Ltd continues in office in accordance with s. 327 of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to s.298(2) of the Corporations Act 2001.

On behalf of the Directors

Edward Clarke
Managing Director

30 August 2019

Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3000

Correspondence to:
GPO Box 4736
Melbourne VIC 3000

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration

To the Directors of Yojee Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Yojee Limited for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B L Taylor
Partner – Audit & Assurance

Melbourne, 30 August 2019

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

www.grantthornton.com.au

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

DIRECTORS' DECLARATION

In the Director's opinion:

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

b. the attached financial statements and notes thereto are in compliance with International Financial Reporting Standards, as stated in Note 3 to the financial statements; and

c. the attached financial statements and notes thereto, are in accordance with the *Corporations Act 2001*, including compliance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and give a true and fair view of the financial position and performance of the Group.

The Directors have been given the declarations required by *s.295A* of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001*.

On behalf of the Directors

Edward Clarke
Managing Director

30 August 2019

Grant Thornton

Collins Square, Tower 5
727 Collins Street
Melbourne VIC 3000

Correspondence to:
GPO Box 4736
Melbourne VIC 3001

T +61 3 8320 2222
F +61 3 8329 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Report

To the Members of Yojee Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Yojee 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 profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated 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:

a giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 3.4 in the financial statements, which indicates that the Group incurred a net loss of $3,716,131, and a net operating cash outflow of $4,395,229 during the year ended 30 June 2019. As stated in Note 3.4, these events or conditions, along with other matters as set forth in Note 3.4, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

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

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

www.grantthornton.com.au

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Intangible asset – Impairment (Note 7)	
As at 30 June 2019, the Group has a value of capitalised intangible assets totalling $5,061,362 relating to software development costs. The Group is required to perform an annual impairment test on software costs not ready for use in accordance with AASB 136: *Impairment of assets* This area is a key audit matter due to the inherent subjectivity involved within impairment testing.	Our procedures included, amongst others: • Understanding and documenting management's process of determining the carrying value of the intangible assets, by obtaining their position papers and assessment of the recoverable amount, and evaluating the group's compliance with the requirements of AASB 136; • Critically assessed management's methodology and evaluated the assumptions supporting the recoverable amount; and • Assessed the adequacy of the related disclosures in the financial statements.
Revenue - Revenue Recognition (Note 5)	
During the year ending 30 June 2019, the Group recognised revenues amounting to $1,375,394. During the year, the Group adopted AASB *15 Revenue from Contracts with Customers,* which impacted the revenues recognised by the Group resulting in an adjustment to the opening retained earnings at 1 July 2018. This area is a key audit matter due to the judgement required to complete the assessment of the contracts held with customers, and the impact on revenue recognition.	Our procedures included, amongst others: • Obtaining an understanding of the nature of revenue transactions and evaluating management's revenue recognition and accounting policies for compliance; • Reviewing managements AASB 15 assessment and the recognition of revenue associated with contracts held with customers; • Tracing a sample of revenue transactions to supporting documentation to ensure revenue is being recognised in line with the revenue recognition policy and accounting standards; • Ensuring revenues not earned during the year are appropriately deferred at year end; • Selecting a sample of revenues transactions before year end and after year end to ensure recognised in the appropriate period; • Completing analytical review of revenues recognised during the year compared to prior year; and • Assessing the adequacy of disclosures for compliance with the revenue recognition.

Information other than the financial report and auditor's report thereon

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

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

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

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

Responsibilities of the Directors for the financial report

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

In preparing the financial report, the Directors are responsible for assessing the 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 responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/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 the Directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Yojee 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.

Grant Thornton Audit Pty Ltd
Chartered Accountants

B L Taylor
Partner – Audit & Assurance

Melbourne, 30 August 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	30 June 2019 $	30 June 2018 $
Revenue			
Trade revenue	5	508,552	424,351
Other income	6	800,832	241,996
Interest income		66,010	25,129
Expenses			
Technology and related costs		(39,540)	(154,871)
Network delivery and related costs		(300,450)	(216,039)
Employee benefits expense		(2,599,298)	(2,088,493)
Consulting fees		(483,026)	(457,107)
Auditor remuneration	10	(63,080)	(39,419)
Professional fees		(445,107)	(697,872)
Share-based payments expense		(1,451)	(1,415,181)
Other expenses		(1,159,573)	(1,314,358)
Loss before income tax expense		**(3,716,131)**	**(5,691,864)**
Income tax expense	8	(246)	-
Loss attributable to members of the parent entity		**(3,716,377)**	**(5,691,864)**
Exchange differences on translation of foreign operations		(663,653)	(236,093)
Total comprehensive loss		**(4,380,030)**	**(5,927,957)**
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translating foreign operations		(663,653)	(236,093)
Earnings/(loss) per share	24	**Cents per Share**	**Cents per Share**
Basic earnings/(loss) per share		(0.44)	(0.88)
Diluted earnings/(loss) per share		(0.44)	(0.88)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Note	As at 30 June 2019 $	As at 30 June 2018 $
Current Assets			
Cash and cash equivalents	11	3,406,410	2,039,192
Trade and other receivables, net	12	95,428	152,538
Contract assets	5	4,763	28,458
Other current assets	13	66,684	88,913
Total Current Assets		**3,573,285**	**2,309,101**
Non-Current Assets			
Property Plant and Equipment		19,267	46,253
Intangible assets	7	5,061,362	3,181,139
Total Non-Current Assets		**5,080,629**	**3,227,392**
Total Assets		**8,653,914**	**5,536,493**
Current Liabilities			
Trade and other payables	14	261,233	530,018
Contract liabilities	5	318,532	94,449
Provision for employee entitlements	15	88,524	19,094
Total Current Liabilities		**668,289**	**643,561**
Net Assets		**7,985,625**	**4,892,932**
Equity			
Share capital	17	25,097,377	17,497,376
Share-based payment reserve		1,496,650	1,494,999
Foreign currency reserve		(992,729)	(329,076)
Accumulated losses		(17,615,673)	(13,770,367)
Total Equity		**7,985,625**	**4,892,932**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	Share capital $	Foreign currency reserve $	Share-based payment reserve $	Accumulated losses $	Total $
Balance at 1 July 2018		**17,497,376**	**(329,076)**	**1,494,999**	**(13,770,367)**	**4,892,932**
Adjustment on adoption of AASB 15	2(b)	-	-	-	(128,929)	(128,929)
Adjusted balance at 1 July 2018		17,497,376	(329,076)	1,494,999	(13,899,296)	4,764,003
Loss for the period		-	-	-	(3,716,377)	(3,716,377)
Exchange differences arising on translation of foreign operations		-	(663,653)	-	-	(663,653)
Total comprehensive loss for the period		17,497,376	(992,729)	1,494,999	(17,615,673)	383,973
Share placement, net of expenses		7,600,001	-	-	-	7,600,001
Share-based payments options and rights		-	-	1,451	-	1,451
Performance rights issue		-	-	200	-	200
Balance at 30 June 2019		**25,097,377**	(992,729)	1,496,650	(17,615,673)	**7,985,625**

	Note	Share capital $	Foreign currency reserve $	Share-based payment reserve $	Accumulated losses $	Total $
Balance at 1 July 2017		**12,943,320**	**(92,983)**	**78,918**	**(8,078,503)**	**4,850,752**
Loss for the period		-	-	-	(5,691,864)	(5,691,864)
Exchange differences arising on translation of foreign operations		-	(236,093)	-	-	(236,093)
Total comprehensive loss for the period		12,943,320	(329,076)	78,918	(13,770,367)	(1,077,205)
Option exercise		1,660,000	-	-	-	1,660,000
Share placement		2,894,056	-	-	-	2,894,056
Share-based payments options and rights		-	-	1,415,181	-	1,415,181
Performance rights issue		-	-	900	-	900
Balance at 30 June 2018		**17,497,376**	**(329,076)**	**1,494,999**	**(13,770,367)**	**4,892,932**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

	Note	30 June 2019 $	30 June 2018 $
Cash Flows From Operating Activities			
Interest received		58,955	26,455
Receipts from customers		632,990	361,650
Other Income		9,873	49,848
Payments to suppliers and employees		(5,097,047)	(4,551,958)
Net cash used in operating activities	**22**	**(4,395,229)**	**(4,114,005)**
Cash Flows From Investing Activities			
Payments for property, plant and equipment		(2,631)	(54,255)
Payments for intangible assets		(1,880,223)	(1,453,024)
Net cash used in investing activities		**(1,882,854)**	**(1,507,279)**
Cash Flows From Financing Activities			
Proceeds from issue of equity securities		8,000,000	2,894,056
Payments for costs of issuance of equity securities		(399,999)	-
Proceeds from exercise of options and issue of performance rights		200	1,660,900
Net cash flows from financing activities		**7,600,201**	**4,554,956**
Net change in cash and cash equivalents		1,322,118	(1,066,328)
Cash and cash equivalents at beginning of period		2,039,192	3,105,520
Exchange differences on cash and cash equivalents		45,100	-
Cash and cash equivalents at the end of period	**11**	**3,406,410**	**2,039,192**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

1. GENERAL INFORMATION

Yojee Limited (the "Company") is a company limited by shares incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange ("ASX"). Yojee Limited is a for-profit entity for the purpose of preparing the financial statements. The addresses of its registered office and principal place of business are disclosed in the introduction to the financial report. The principal activities of the Company and its subsidiaries (collectively, the "Group") are described in the Director's Report.

2. ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

New, revised or amending Accounting Standards and Interpretations adopted

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

AASB 15 Revenue from Contracts with Customers

AASB 15 *Revenue from Contracts with Customers* replaces AASB 118 *Revenue*, AASB 111 *Construction Contracts* and several revenue-related Interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated. In accordance with the transition guidance, AASB 15 has only been applied to contracts that are incomplete as at 1 July 2018.

Many of the Group's contracts comprise a variety of performance obligations including, but not limited to, software subscription, elements of design and customisation, post-contract customer support, and account set-up. Under AASB 15, the Group must evaluate the separability of the promised goods or services based on whether they are 'distinct'. A promised good or service is 'distinct' if both:

- the customer benefits from the item either on its own or together with other readily available resources; and
- it is 'separately identifiable' (i.e. the Group does not provide a significant service of integrating, modifying or customising it).

The adoption of AASB 15 has mainly affected contracts with software customisation services. The Group has two main revenue streams as disclosed in note 3.5.

(a) Contracts with software customisation services

As at 1 July 2018, the Group has several contracts that comprise a variety of promised goods or services including, but not limited to, Yojee Software-as-a-Service ("SaaS") software, post-contract customer support services ("PCS"), set-up services and elements of customisation.

Typically, these contracts would require the Group to perform significant levels of integration, modification and/or customisation to the software, followed by the provision of right to access to the customised software (i.e. software subscription licence) to the customer over the period of subscription. The Group has assessed that the customisation services are not distinct from the provision of the subscription licence to the customised software due to the significant customisation work required. In addition, the customised software and right to access the customised software are inputs to a combined output – subscription to a customised platform. Accordingly, consideration received from the customer will be deferred and recognised over the period of subscription (performance obligation satisfied over time), which is the period of actual usage of the customised software. The accounting treatment for contracts with customisation services will be accessed separately.

(b) *Standard software contracts (without customisation services)*

The majority of contracts related to software sales do not include software customisation services. The Group identifies such contracts as 'standard software contracts'. The adoption of the new guidance did not have a significant impact on the timing or amount of revenue recognised by the Group during the year.

On the date of the initial application of AASB 15, 1 July 2018, the impact to retained earnings of the Group is as follows:

Impact area	Other equity	Accumulated losses	Total Equity
Contracts with software customisation services	-	117,189	117,189
Contracts without software customisation services	-	11,740	11,740
Total	**-**	**128,929**	**128,929**

The tables below highlight the impact of AASB 15 on the Group's statement of profit or loss and other comprehensive income and the statement of financial position for the financial year ended 30 June 2019. The adoption of AASB 15 did not have a material impact on the Group's statement of cash flows.

Consolidated Statement of Profit or Loss and Other Comprehensive Income (Extract)	Amounts under AASB 118	Adjustments	Amounts under AASB 15
Trade revenue	534,782	(26,230)	508,552
Loss before income tax expense	**(3,689,901)**		**(3,716,131)**
Total comprehensive loss	**(3,690,147)**		**(3,716,377)**

Consolidated Statement of Financial Position (Extract)	Amounts under AASB 118	Adjustments	Amounts under AASB 15
Current Asset			
Contract assets	40,633	(35,870)	4,763
Current Liabilities			
Contract liabilities	194,532	124,000	318,532
Equity			
Accumulated losses	(17,460,514)	(155,159)	(17,615,673)
Foreign currency reserve	(988,018)	(4,711)	(992,729)

AASB 9 Financial Instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* requirements. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

For trade receivables and contract assets under AASB 15 the Group applies a simplified approach of recognising lifetime expected credit losses as these items do not have a significant financing component. Upon assessment, the Group noted that there was no significant impact to the Group's financial statements at 1 July 2018 or at the financial year ended 30 June 2019.

The adoption of the new standard did not have a significant impact on the Group's financial statements.

On the date of initial application, 1 July 2018, the financial instruments of the Group were reclassified as follows:

	Measurement Category		Carrying Amount		
Consolidated Statement of Financial Position (Extract)	Original AASB 139 Category	New AASB 9 Category	Closing balance 30 June 2018 (AASB 139)	Adoption of AASB 9	Opening balance 1 July 2018 (AASB 9)
Current Financial Assets					
Cash and cash equivalents	Amortised Cost	Amortised Cost	2,039,192	-	2,039,192
Trade receivables, net	Amortised Cost	Amortised Cost	128,831	-	128,831
Total Financial Asset Balance			**2,168,023**		**2,168,023**
Current Financial Liabilities					
Trade and other payables	Amortised Cost	Amortised Cost	530,018	-	530,018
Total Financial Liabilities Balance			**530,018**		**530,018**

There were no reclassification of financial assets or liabilities upon the adoption of AASB 9.

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 for the annual reporting financial year 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.

Changes to Presentation – Classification of Assets and Liabilities

The Group modified the allocation of assets and liabilities, as part of the adoption of the new accounting standard (AASB 15). Contract assets and contract liabilities (previously accrued revenue and deferred revenue) have been disaggregated to provide more relevant information. The comparative information has been reclassified accordingly.

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 Group will adopt this standard from 1 July 2019. Based on the entity's assessment, it is expected that the first-time adoption of AASB 16 for the year ending 30 June 2020 will have a material impact on the transactions and balances recognised in the financial statements, in particular:

- lease assets and financial liabilities on the balance sheet will increase by $276,535 and $286,387 respectively as at the date of adoption (based on the facts at the date of the assessment).
- there will be a reduction in the reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities.
- EBIT in the statement of profit or loss and other comprehensive income will be higher as the implicit interest in lease payments for former off balance sheet leases will be presented as part of finance costs rather than being included in operating expenses
- operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities

AASB 2017-4 Amendments to Australian Accounting Standards – Uncertainty over Income Tax Treatments

AASB 2017-4 amends AASB 1 *First-time Adoption of Australian Accounting Standards* to add paragraphs arising from AASB Interpretation 23 Uncertainty over Income Tax Treatments. When these amendments are first adopted for the year ending 30 June 2020, there will be no material impact on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below.

3.1 Statement of Compliance

These consolidated financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001,* Australian Accounting Standards and Interpretations, and comply with other requirements of the law.

Australian Accounting Standards incorporate International Financial Reporting Standards (IFRS's) as issued by the International Accounting Standards Board. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with IFRS's.

The consolidated financial statements were authorised for issue by the directors on 30 August 2019.

3.2 Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

3.3 Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries as listed in Note 27 (collectively the "Group"). Control is achieved where the Company is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to affect those returns. All inter-company balances and transactions between entities, including any unrealised profits or losses, where applicable, have been eliminated on consolidation. Accounting policies of subsidiaries are consistent with those policies applied by the parent entity.

3.4 Going Concern

The financial report has been prepared on the going concern basis which contemplates continuity of normal business activities and realisation of assets and settlement of liabilities in the ordinary course of business. The going concern of the Company is dependent upon it generating increased cash receipts from sales growth, managing its costs and raising additional funds through future capital raisings.

For the year ended 30 June 2019 the Company recorded a loss before income tax expense of $3,716,131 (2018: $5,691,864), a net operating cash outflow of $4,395,229 (2018: $4,114,005), a net assets position of $7,985,625 (2018: $4,892,932) and a market capitalisation of approximately $72 million.

The Directors have noted that, while the Company continues to operate at a loss, there has been year on year growth in both cash receipts from customers and revenue and there is a reasonable expectation of this growth trend continuing. The Directors continue to monitor the ongoing funding requirements of the Group on a monthly basis including the monitoring of costs with a view to reducing them as required.

The Directors believe that the Company can meet its financial obligations when they fall due enabling it to continue as a going concern and as such are of the opinion that the financial report has been appropriately prepared on a going concern basis. The Directors will continue to review funding options in the near term.

Should the Group be unable to obtain the funding, there is a material uncertainty as to whether the Group will be able to continue as a going concern, and therefore, whether it will be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different from those stated in the financial report. The financial report does not include any adjustment relating to recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that may be necessary should the Group be unable to continue as a going concern.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

3.5 Revenue Recognition

3.5.1 Software revenue

Revenue arises mainly from the provision of software subscription and related services including, but not limited to, Yojee SaaS software, PCS, set-up services and software customisation.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

The Group typically enters into transactions involving a range of the Group's products and services. In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

Software subscription

Revenue from software subscription is recognised when (or as) the benefit of the software subscription is consumed by the customer. Typically, customers are billed in advance of their monthly subscription cycle. The relevant payment due dates are specified in each contact and in all invoices.

Software subscription is a series of distinct performance obligations comprised of the following promises for goods or services.

Promises for goods or service	Description
Account set-up	One-time account creation and access key provision to the customer and downstream partners. This set-up pertains to standard software without customisation.
Right to access Yojee Software	Right to access the Yojee software, standard or customised, for the duration of the subscription period.
PCS – including unspecified software product updates and technical support	Unspecified product updates/enhancements to the Yojee software. All updates are compulsory to customers using the Yojee Software and are critical to the continued utility of the software. Technical support by Yojee in-house technology team on customer use of the Yojee software to ensure software is functioning as promised.
Cloud hosting	Hosting the Yojee platform and customer operation and data on the cloud. Yojee controls the cloud hosting.

The above promises for goods and services are inputs to a combined output, i.e. software subscription, thus, they are not capable of being distinct or separately identified under AASB 15. The promises are highly integral in the provision of software subscription to the customer and, respectively, they do not have standalone value.

The Group allocates the transaction price between the software subscription and other performance obligations identified in a contract on a relative stand-alone selling price basis.

Revenue for software subscription is recognised over time over the period of subscription, using time-elapsed as an output method to estimate the Group's progress toward completion. As the customer simultaneously receives and consumes the benefits provided with access to the Yojee software, time-elapsed provides a faithful depiction of the transfer of goods and services to the customer.

White-labelling services

White-labelling services are services provided to visually rebrand the Yojee software to present the platform based on the customer's specifications. The customer can purchase the service as an add-on to the main software subscription at inception of the contract or during the period of subscription. The customer is also able to use the Yojee software with no significant decline in functionality or utility without white-labelling services. Thus, the Group has identified white-labelling services as a distinct performance obligation.

Revenue from white-labelling services is recognised when (or as) the benefit of the software subscription is consumed by the customer. Typically, customers are billed in advance of the monthly period to which white-labelling services are provided to them. The relevant payment due dates are specified in each contract and in all invoices. Revenue for software subscription is recognised over time over the period of subscription, using time-elapsed as an output method to estimate the Group's progress toward completion.

<u>*Software customisation services*</u>

(a) With subscription to customised software

The Group enters into contracts for the modification and/or customisation of the Yojee software in exchange for a fixed fee. Contracts for a customised software are often accompanied by customers' purchase of right to access the customised software. Due to the significant customisation performed as well as the high degree of interdependence between the various elements of these projects, software customisation services and the eventual subscription to the customised software are accounted for as a single performance obligation.

The transaction price allocated to this performance obligation based on relative stand-alone selling prices is recognised as revenue over the period of customers' subscription to the customised software. This is because the customisation service and subscription to the customised software are inputs to a combined output, i.e. right to access a customised software. Revenue should therefore be recognised over the time where the customer has access to the customised software that is functioning as per agreed specifications.

Revenue is recognised over the period of subscription, using time-elapsed as an output method to estimate the Group's progress toward completion. As the customer simultaneously receives and consumes the benefits provided with access to the customised software, time-elapsed provides a faithful depiction of the transfer of goods and services to the customer.

Consideration received prior to the actual delivery and customer usage of the customised software is deferred until such event. However, consideration received under contract with customisation service that is terminated prior to delivery and actual usage by the customer is recognised as revenue to the extent that it is non-refundable.

(b) Without subscription to customised software

Contracts may be negotiated solely for customisation service, i.e. without eventual subscription to the customised software. Such contracts may relate to customisation of booking pages that is hosted on a customer-controlled platform. As such, the main performance obligation would be the customisation work and the ultimate delivery of the customised product to the customer.

To depict the progress by which the Group transfers control of the systems to the customer, and to establish when and to what extent revenue can be recognised, the Group measures its progress towards complete satisfaction of the performance obligation by determining the percentage of completion as of measurement date, usually by comparing actual hours spent to date with the total estimated hours required to customise the product. The hours-to-hours basis provides the most faithful depiction of the transfer of goods and services to each customer. The performance obligation is fully satisfied upon customer acceptance or a reasonable time of usage by the customer without adverse feedback.

Such arrangements may include detailed customer payment schedules. When payments received from customers exceed revenue recognised to date on a particular contract, any excess (a contract liability) is reported in the statement of financial position under contract liabilities.

The Group receives a fixed fee for its software contracts. There was no variable consideration noted in its contract with customers.

3.5.2 Network revenue

Network revenue relates to revenue arising from delivery services in Singapore. Deliveries are split into various categories such as express, same day and next day deliveries. Revenue is recognised upon successful delivery thus, performance obligation is satisfied at a point in time. The adoption of the new standard did not have a material impact on network revenue.

The Group recognises contract liabilities for consideration received or billed in respect of unsatisfied performance obligations and reports these amounts as contract liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives or bills the consideration, the Group recognises either a contract asset in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due. Satisfied performance obligations that are received or billed are recognised as receivables. Impairment assessment for contract assets are described in note 3.15.

3.5.3 Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

3.6 Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instrument at the grant date. Fair value is determined by application of either the Black-Scholes, Monte Carlo or Trinomial Barrier methodology.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the option reserve.

The consolidated financial statements recognise amounts in respect of other equity-settled shared based payments.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit or loss for the year.

3.7 Taxation

The income tax expense (revenue) comprises current income tax expense (income) and deferred tax expense (income).

3.7.1 Current tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

3.7.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related assets or liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.7.3 Current and deferred tax for the period

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

3.8 Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except:

a. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
b. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

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

3.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and 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.

3.10 Foreign currencies

Foreign currency translation

The consolidated financial statements are presented in Australian dollars, which is the parent entity'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.

3.11 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.

3.12 Contributed Equity

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.

3.13 Impairment of non-financial assets

At each reporting date or more frequently if events or changes in circumstances indicate a possible impairment, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are largely independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset excluding goodwill (cash-generating unit) is increased to the revised estimate of it recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.14 Earnings per share

<u>Basic earnings per share</u>

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

<u>Diluted earnings per share</u>

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 the dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3.15 Financial Instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)

Classifications are determined by both:

- the Group's business model for managing the financial asset
- the contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement financial assets

(a) Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade receivables fall into this category of financial instruments.

(b) *Financial assets at fair value through profit or loss (FVPL)*

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVPL. There are no financial instruments that fall into this category for the financial year ended.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included trade receivables and contract assets recognised and measured under AASB 15 that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

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

The Group assess impairment of trade receivables on a collective basis as they possess credit risk characteristics based on the geographical location where the receivables originates. The Group also considers the inherent higher credit risk for amounts as the number of days overdue increases for those amounts.

Classification and measurement of financial liabilities

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Group's financial liabilities were not impacted by the adoption of AASB 9. However, for completeness, the accounting policy is disclosed below.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

The Group's financial liabilities include trade and other payables. The Group does not have derivative instruments.

Accounting policies applicable to comparative period (30 June 2018)

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

Other receivables are recognised at amortised cost, less any provision for impairment.

(b) *Financial liabilities*
These amounts represent liabilities for goods and services provided to the Group 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 not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

3.16 Provisions

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

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit or loss and other comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

3.17 Employee leave entitlements

Liabilities accruing to employees in respect of annual leave, long service leave, sick leave and any other statutory requirements are recognised in other payables in respect of employees' services up to the reporting date. They are measured at the amounts based on the employee's compensation and outstanding leave balances. The Group typically do not expect to settle the liabilities in cash or other financial instruments.

3.18 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on plant & equipment assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Category	**Useful Life**
Computer Equipment	2 years

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

An assets' carrying amount is written down immediately to its recoverable amount if the assets' carrying amount is greater than its estimated recoverable amount. Such assessments are performed at the end of the financial reporting period and whenever there is an indication of impairment.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and recognised in profit or loss. There were no disposals during the financial year.

3.19 Intangibles

Expenditure during the research phase of a project is recognised as an expense when incurred.

Development costs are capitalised only when the technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Development costs have a finite life and are amortised on a straight-line basis matched to the future economic benefits over the useful life of the project. Amortisation commences when the asset is ready for commercial use.

3.20 Non-current assets and liabilities classified as held for sale and discontinued operations

When the Group intends to sell a non-current asset or a group of assets (a disposal group), and if sale within 12 months is highly probable, the asset or disposal group is classified as 'held for sale' and presented separately in the statement of financial position. Liabilities are classified as 'held for sale' and presented as such in the statement of financial position if they are directly associated with a disposal group.

Assets classified as 'held for sale' are measured at the lower of their carrying amounts immediately prior to their classification as held for sale and their fair value less costs to sell. However, some 'held for sale' assets such as financial assets or deferred tax assets, continue to be measured in accordance with the Group's accounting policy for those assets. Once classified as 'held for sale', the assets are not subject to depreciation or amortisation.

4. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying accounting policies

Tax Losses

The Group has not recognised a deferred tax asset with regard to unused tax losses and other temporary differences, as it has not been determined when the Group will generate sufficient taxable income against which the unused tax losses and other temporary differences can be utilised in the foreseeable future.

Share-Based Payment Transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black-Scholes, Monte Carlo or Trinomial Barrier methodology taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to the 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.

Capitalisation and Impairment of Internally Developed Software

Distinguishing the research and development phases of a new customised software product and determining whether the recognition requirements for the capitalisation of development costs are met requires judgement.

After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired. Judgement is exercised in determining the recoverable amount of the asset.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

5. TRADE REVENUE

	30 June 2019 $	30 June 2018 $
Software revenue	248,856	303,025
Network revenue	259,696	121,326
	508,552	**424,351**

The Group's revenue disaggregated by pattern of revenue recognition is as follows:

For the financial year ended 30 June 2019			
	Software	Network	Total
Transferred at a point in time	-	259,696	259,696
Transferred over time	248,856	-	248,856
Total	**248,856**	**259,696**	**508,552**

For the financial year ended 30 June 2018			
	Software	Network	Total
Transferred at a point in time	-	121,326	121,326
Transferred over time	303,025	-	303,025
Total	**303,025**	**121,326**	**424,351**

The following aggregated amounts of transaction prices relate to the performance obligations from existing contracts that are unsatisfied or partially unsatisfied.

	30 June 2019	30 June 2018
Transaction price of (partially) unsatisfied performance obligations	1,156,431	595,070

	30 June 2019 $	30 June 2018 $
Current Assets		
Contract Assets – Accrued software revenue	4,406	28,458
Contract Assets – Accrued network revenue	357	-
	4,763	**28,458**
Current Liabilities		
Contract Liabilities – Deferred software revenue	318,532	94,449
	318,532	**94,449**

6. OTHER INCOME

	30 June 2019 $	30 June 2018 $
Currency related gains	686,541	184,041
Technology credits	102,777	6,642
Government grants	9,872	49,849
Other	1,642	1,464
	800,832	**241,996**

7. INTANGIBLE ASSETS

	30 June 2019 $	30 June 2018 $
Internally-developed Software Costs		
Carrying amount at the beginning of the year	3,181,139	1,728,115
Additions	1,880,223	1,453,024
Amortisation	-	-
Carrying amount at the end of the year	**5,061,362**	**3,181,139**

8. INCOME TAX EXPENSE

	30 June 2019 $	30 June 2018 $
(a) The components of income tax expense comprise:		
Current income tax charge	-	-
Adjustments for tax of prior periods	246	-
Deferred income tax relating to origination and reversal of temporary differences	-	-
Total tax expense attributable to continuing operations, representing total tax for the year	**246**	**-**

	30 June 2019 $	30 June 2018 $
(b) Numerical reconciliation of income tax expense to prima facie tax payable:		
Loss from operations before income tax	**(3,716,131)**	**(5,691,864)**
Prima facie tax benefit*	(1,114,839)	(1,707,559)
Tax effect of amounts which are not deductible in calculating taxable income:		
- Other non-deductible expenses	1,005,694	1,435,951
Add/(Less) Temporary Differences		
- Temporary differences not recognised	(237,183)	(6,498)
- Tax losses not recognised	346,328	278,106
Under provision – prior year	246	-
Income tax expense	**246**	**-**
(c) The following deferred tax assets and (liabilities) have not been brought to account as:		
Tax losses - revenue	815,521	469,210
Tax losses - capital	469,308	469,308
Temporary differences	(102,103)	167,650
	1,182,726	1,106,168

*The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

The taxation benefits of losses and temporary differences not brought to account will only be obtained if: The Group derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;

i) The Group continues to comply with the conditions for deductibility imposed by law; and
ii) No change in tax legislation adversely affects the Group in realising the benefits from deducting the losses.

9. KEY MANAGEMENT PERSONNEL

a. The names of key management personnel of the entity at any time during the financial year ended 30 June 2019 are:

Mr Ray Lee – Non-Executive Chairman (Appointed 9 March 2017)
Mr Edward Clarke – Managing Director (Appointed 26 May 2016)
Ms Shannon Robinson - Non-Executive Director (Appointed 20 January 2016)
Mr Gary Flowers - Non-Executive Director (Appointed 1 May 2019)
Mr Jason Marinko - Executive Chairman (Appointed 13 November 2017, Resigned 30 April 2019)

b. Compensation practices

Details of the remuneration of key management personnel of the consolidated entity are set out in the below table. The remuneration table listed below comprises 12 months of remuneration of the Group.

c. Aggregate Key Management Personnel Compensation

	30 June 2019 $	30 June 2018 $
Short-term employment benefits	515,836	419,837
Post-employment benefits	25,669	18,525
Equity-based payments	(292,222)	819,326
	249,283	1,257,688

Information regarding individual directors and executive's compensation and some equity instruments disclosures as permitted by Corporations Regulations 2M.3.03 and 2M.6.04 are provided in the Remuneration Report section of the Directors Report.

10. AUDITOR REMUNERATION

	30 June 2019 $	30 June 2018 $
Audit services		
Audit and review of Group financial report*	61,068	39,419
Audit of subsidiary financial reports#	2,012	-
	63,080	**39,419**

* Grant Thornton Audit Pty Ltd
# RSM Vietnam Auditing and Consulting Company Limited – Yojee Ops Vietnam Company Limited (Vietnam) and; YH Tan & Associates PLT – Yojee Sdn. Bhd. (Malaysia)

11. CASH AND CASH EQUIVALENTS

	30 June 2019 $	30 June 2018 $
Cash at Bank – AUD Accounts	2,512,659	1,316,285
Cash at Bank – SGD Accounts	603,404	572,351
Cash at Bank – USD Accounts	220,671	121,971
Cash at Bank – VND Account	43,132	28,585
Cash at Bank – MYR Accounts	26,544	-
	3,406,410	**2,039,192**

12. TRADE AND OTHER RECEIVABLES

	30 June 2019 $	30 June 2018 $
Trade receivables, net	89,010	128,831
Goods and services tax receivable	6,418	23,707
Trade and other receivables	**95,428**	**152,538**

Upon adoption of AASB 15, accrued revenue balance as at 30 June 2019 is classified as contract assets (Note 5).

	30 June 2019 $	30 June 2018 $
Trade receivables, gross	96,456	154,552
Less: Loss Allowance – AASB 9	(7,446)	(25,721)
Trade Receivables, net	**89,010**	**128,831**
Goods and services tax receivable	6,418	23,707
Trade and other receivables	**95,428**	**152,538**

All the receivables are short term and the carrying values of the items are considered to be a reasonable approximation of fair value.

All of the Group's trade receivables have been reviewed for expected credit losses. Certain trade receivables were found to be impaired and an allowance for credit losses of $7,446 has been recorded accordingly within other expenses.

13. OTHER CURRENT ASSETS

	30 June 2019 $	30 June 2018 $
Prepaid expenses	29,518	63,529
Rental deposits	29,742	25,384
Other	7,424	-
	66,684	**88,913**

14. TRADE AND OTHER PAYABLES

	30 June 2019 $	30 June 2018 $
Trade payables	131,929	347,649
Payroll and related liabilities	85,442	113,872
Accrued operating expense	43,862	68,497
Trade and other payables	**261,233**	**530,018**

Upon adoption of AASB 15, deferred revenue balance as at 30 June 2019 is classified as contract liabilities (Note 5).

All the payables are short term and the carrying values of the items are considered to be a reasonable approximation of fair value.

15. PROVISION FOR EMPLOYEE ENTITLEMENTS

	30 June 2019 $	30 June 2018 $
Provision for employee entitlements	88,524	19,094
	88,524	**19,094**

Provision for employee entitlements represents vested annual leave entitlements accrued.

16. LEASES

The Group leases office premises and workspaces under operating leases. The future minimum lease payments are as follows:

	Within 1 year $	1 to 5 years $	After 5 years $	Total $
30 June 2019	192,823	170,745	-	363,568
30 June 2018	145,406	23,200	-	168,606

Lease expense during the period amount to $233,498 which includes the minimum lease payments.

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

17. SHARE CAPITAL

Share capital consists only of fully paid ordinary shares.

	30 June 2019 $	30 June 2018 $
Fully paid ordinary shares	25,097,377	17,497,376
	25,097,377	**17,497,376**

	30 June 2019	30 June 2018
Number of ordinary shares		
Balance at the beginning of the reporting period	767,440,000	440,000,000
Exercise of stock options	-	83,000,000
Placement securities	80,000,000	43,000,000
Conversion of performance shares	-	200,000,000
Conversion of performance rights	-	1,440,000
Balance at reporting date	**847,440,000**	**767,440,000**

During the financial year, Yojee raised $8,000,000 of capital (before costs) through the issue of 80,000,000 Placement Shares at $0.10 per share.

18. SHARE-BASED PAYMENTS

Share Options

The option reserve records items recognised as expenses on valuation of share options.

2019 Grant date	Expiry Date of Options	Exercise Price of Options	Balance at start of year	Cancelled during the year	Issued during the year	Balance at end of the year	Exercisable at end of year
14/6/2016	27/5/2021	$0.07	5,000,000	(2,000,000)	-	3,000,000[1]	3,000,000
14/6/2016	27/5/2021	$0.07	5,000,000	(2,000,000)	-	3,000,000[2]	3,000,000
14/6/2016	27/5/2021	$0.07	5,000,000	(2,000,000)	-	3,000,000[3]	3,000,000
14/6/2016	27/5/2021	$0.07	7,000,000	(3,000,000)	-	4,000,000[4]	4,000,000
13/6/2017	9/6/2020	$0.07	2,500,000	-	-	2,500,000[5]	2,500,000
13/6/2017	9/6/2020	$0.07	2,500,000	-	-	2,500,000[6]	2,500,000
13/6/2017	9/6/2020	$0.07	3,000,000	-	-	3,000,000[7]	3,000,000
13/6/2017	9/6/2020	$0.07	3,000,000	-	-	3,000,000[8]	3,000,000
30/11/2017	29/12/2020	$0.20	2,500,000	-	-	2,500,000[9]	2,500,000
30/11/2017	29/12/2020	$0.20	2,500,000	(2,500,000)	-	-	-
30/11/2017	29/12/2020	$0.20	2,500,000	(2,500,000)	-	-	-
30/11/2017	29/12/2020	$0.20	2,500,000	(2,500,000)	-	-	-
30/11/2017	29/12/2020	$0.20	7,500,000	(7,500,000)	-	-	-
			50,500,000	(24,000,000)	-	26,500,000	26,500,000

[1]3,000,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.07 per Share (exercisable at $0.07 on or before the fifth anniversary of the date on which they were issued);
[2]3,000,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.10 per Share (exercisable at $0.07 on or before the fifth anniversary of the date on which they were issued);
[3]3,000,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.15 per Share (exercisable at $0.07 on or before the fifth anniversary of the date on which they were issued); and
[4]4,000,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.20 per Share (exercisable at $0.07 on or before the fifth anniversary of the date on which they were issued).
[5] 2,500,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.07 per Share (exercisable at $0.07 on or before 9 June 2020);
[6] 2,500,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.10 per Share (exercisable at $0.07 on or before 9 June 2020);
[7] 3,000,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.15 per Share (exercisable at $0.07 on or before 9 June 2020); and
[8] 3,000,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.20 per Share (exercisable at $0.07 on or before 9 June 2020).
[9] 2,500,000 unquoted options vesting on the 20-day VWAP of Shares being equal to or in excess of $0.25 per Share (exercisable at $0.20 on or before 29 December 2020);

For the options granted during the current and prior financial years the Black-Scholes, Monte Carlo or Trinomial Barrier 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
14/6/2016	27/5/2021	$0.04	$0.07	71%	-	1.69%	$0.0310
14/6/2016	27/5/2021	$0.04	$0.07	71%	-	1.69%	$0.0180
14/6/2016	27/5/2021	$0.04	$0.07	71%	-	1.69%	$0.0050
14/6/2016	27/5/2021	$0.04	$0.07	71%	-	1.69%	$0.0010
13/6/2017	9/6/2020	$0.078	$0.07	92%	-	1.72%	$0.0474
30/11/2017	29/12/2020	$0.30	$0.20	82%	-	1.76%	$0.0838

Option Valuation

In accordance with AASB 2, the value of options granted has been independently assessed.

Expenses arising from share-based payment transactions

In total, an amount of $1,451 has been recognised as an employee share-based payment expense (all of which related to equity-settled share-based payment transactions) in the profit or loss for 2019 and credited to share-based payment reserve.

19. DIVIDENDS

There have been no dividends paid or proposed in respect of the year ended 30 June 2019.

20. RELATED PARTY DISCLOSURES

Key Management Personnel Compensation

Details of key management personnel compensation are disclosed in the Remuneration Report and Note 9.

Transactions with Key Management Personnel

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

Transactions with Director Related Entities

There were no transactions with director related entities during the year other than those disclosed in the Remuneration Report and Note 9.

Transactions with Controlled Entities

There were no transactions with controlled entities during the year.

21. PARENT ENTITY INFORMATION

Set out below is supplementary information about the parent entity. For the purpose of this note, the amounts disclosed relate to the legal parent entity, Yojee Limited, and thus include comparative information with the statement of profit and loss and other comprehensive income representing the results for the full 12 month financial year ended to 30 June 2019.

	Parent 30 June 2019 $	Parent 30 June 2018 $
Statement of Profit or Loss and Other Comprehensive Income		
Loss after income tax, which represents total comprehensive loss	(157,278)	(1,633,039)
Statement of Financial Position		
Total Current Assets	**2,468,342**	**1,269,850**
Total Assets	**17,910,683**	**10,480,581**
Total Current Liabilities	**89,857**	**104,982**
Total Liabilities	**89,857**	**104,982**
Equity		
Contributed Equity	25,097,377	17,497,376
Share-based payment reserve	1,496,650	1,494,998
Accumulated losses	(8,773,201)	(8,615,923)
Foreign currency reserve	-	(852)
Total Equity	**17,820,826**	**10,375,599**

Contingent liabilities

The parent entity did not have any contingent liabilities as at 30 June 2019.

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the Group, as disclosed in Note 3, except that investments in subsidiaries are accounted for at cost, less any impairment.

22. NOTES TO THE STATEMENT OF CASH FLOWS

	Consolidated 30 June 2019 $	Consolidated 30 June 2018 $
(a) Reconciliation of Cash and Cash Equivalents		
For the purpose of the statement of cash flows, cash includes cash in hand and in banks and term deposits. Cash at the end of the period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	3,406,410	2,039,192
(b) Financing Facilities		
The Group had the following credit card facilities		
Amounts utilised	-	-
	3,406,410	**2,039,192**
(c) Reconciliation of Net Loss from ordinary activities after related income tax to net cash flows from operating activities		
Loss after related income tax	(3,716,377)	(5,691,864)
Non-cash activities:		
Share-based payments expense	1,451	1,415,181
Foreign exchange differences	(710,648)	(236,093)
Depreciation expense	31,512	16,035
AASB 15 adjustment to opening retained earnings	(128,929)	-
Changes in assets and liabilities, net of effects from acquisition and disposal of businesses:		
Decrease/(Increase) in assets:		
Current assets, excluding cash and cash equivalents	103,034	(128,706)
Increase in liabilities:		
Current liabilities	24,728	511,442
Net cash used in operating activities	**(4,395,229)**	**(4,114,005)**

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instrument is cash and cash equivalents. The main purpose of this financial instrument is to finance the Group's operations. The Group has other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risk arising from the Group's financial instruments is the cash flow interest rate risk.

23.1 Cash flow interest rate risk

The Group's exposure to the risks of changes in market interest rates relates primarily to the short-term deposits with a floating interest rate. These financial assets with variable rates expose the Group to cash flow interest rate risk. All other financial assets and liabilities in the form of receivables and payables are non-interest bearing. The Group does not engage in any hedging or derivative transactions to manage interest rate risk. Instead consideration is given to a mixture of fixed and variable interest rates.

The cash amounts and interest rates effective at the reporting date are:

Rate Type	Amount $	Effective Rate %	Maturity Date
Variable	3,406,410	-	On-Call
Total Cash	**3,406,410**		

23.2 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to ensure the ability to meet debt requirements. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group aims at maintaining flexibility in funding by having in place operational plans to source further capital as required.

As at 30 June 2019, the Group's liabilities are summarised below:

	Current		Non-Current	
	Within 6 months $	6 to 12 months $	Within 6 months $	6 to 12 months $
Trade and other payables	261,233	-	-	-
Total	**261,233**	**-**	**-**	**-**

23.3 Credit Risk

Credit risk arises from cash and cash equivalents and outstanding receivables. The cash balances are held in financial institutions with high ratings and the receivables comprise interest receivables and GST input tax credit refundable by the ATO. The Group has assessed that there is minimal risk that the cash and receivables balances are impaired.

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

Classes of financial assets	30 June 2019 $	30 June 2018 $
Cash and cash equivalents	3,406,410	2,039,192
Trade and other receivables	95,428	152,538
Deposits	37,165	25,384
Carrying Amount	**3,539,003**	**2,217,114**

23.4 Capital Risk Management

When managing capital, management's objectives are to ensure the Group continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management also maintains a capital structure that ensures the lowest cost of capital available to the Group. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or enter into joint ventures.

The Group does not have a defined share buy-back plan. No dividends are expected to be paid in 2020. There is no current intention to incur debt funding on behalf of the Group as on-going development expenditure will be funded via equity or joint ventures with other companies.

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

Management reviews management accounts on a monthly basis and reviews actual expenditure against budget on a monthly basis.

23.5 Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

Most of the groups transactions are carried out in AUD, SGD and USD. Exposures to currency exchange rates arise from the Group's overseas sales and purchases. Foreign currency denominated financial assets and liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to key management translated into $AUD at the closing rate:

	Assets	Liabilities	Assets	Liabilities
	2019	2019	2018	2018
	$	$	$	$
United States Dollar	277,355	13,700	245,893	84,973
Singapore Dollar	653,694	127,628	686,614	153,734
British Pound	-	-	-	12,669
Euros	-	-	-	123,275
Malaysia Ringgit	37,382	8,083	-	1,492
Vietnam Dong	45,543	7,831	30,376	7,658
Total	**1,013,974**	**157,242**	**962,883**	**383,801**

Over the past year the Australian Dollar has varied up and down against all currencies. A 10% variance is considered reasonable for sensitivity analysis on this basis. If the $AUD had strengthened against the various currencies by 10% the impact on equity and profit before tax would have been $85,673, if the $AUD had weakened against the various currencies by 10% the impact would have been ($85,673) on equity and profit before tax.

24. EARNINGS PER SHARE

	30 June 2019 Cents Per Share	30 June 2018 Cents Per Share
Basic loss per share	(0.44)	(0.88)
Diluted loss per share	(0.44)	(0.88)

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	$	$
Earnings*	(3,716,377)	(5,691,864)

*Earnings are the same as the loss after tax in the statement of profit or loss and other comprehensive income

	Number of Shares	Number of Shares
Weighted average number of ordinary shares used in the calculation of basic loss per share:	842,618,082	647,060,932
Weighted average number of ordinary shares used in the calculation of diluted loss per share:	842,618,082	647,060,932

The weighted average number of ordinary shares outstanding during the year ended 30 June 2019 has been calculated as the actual number of ordinary shares of Yojee Limited outstanding during the period after acquisition.

Diluted Earnings per Share

The rights to options held by existing and new option holders through the cancellation of 24,000,000 options during the year ended 30 June 2019 have not been included in the weighted average number of ordinary shares for the purpose of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 *Earnings per Share*.

25. CONTINGENT LIABILITIES

The Group does not have any contingent liabilities as at 30 June 2019.

26. AFTER REPORTING DATE EVENTS

There were no adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

27. CONTROLLED ENTITIES

The ultimate Australian parent entity and the ultimate parent of the Consolidated Entity is Yojee Limited. For the purposes of this note the parent entity has been deemed as the legal entity being Yojee Limited.

Name of Entity	Country of Registration	Class of Shares	Equity Holding	
			2019	2018
SC Resources Pty Ltd (controlled entity)	Australia	Ordinary	100%	100%
Send Yojee Pty Ltd (controlled entity)	Australia	Ordinary	100%	100%
Yojee Pte Ltd (controlled entity)	Singapore	Ordinary	100%[1]	100%[1]
Yojee Ops Pte Ltd (controlled entity)	Singapore	Ordinary	100%[1]	100%[1]
Sendyojee Pte Ltd (controlled entity)	Singapore	Ordinary	100%[2]	100%[2]
Yojee Solutions Pte Ltd (controlled entity)	Singapore	Ordinary	100%[2]	100%[2]
Yojee Ops Vietnam Co. Ltd (controlled entity)	Vietnam	Ordinary	100%[2]	100%[2]
Yojee SDN.BHD (controlled entity)	Malaysia	Ordinary	100%[2]	100%[2]
Yojee (Cambodia) Co., Ltd (controlled entity)	Cambodia	Ordinary	100%[2]	100%[2]

[1] Wholly owned subsidiary of Send Yojee Pty Ltd.

[2] Wholly owned subsidiary of Yojee Ops Pte Ltd.

28. OPERATING SEGMENTS

All revenues and costs are handled centrally and management reviews financial information on a consolidated basis. The group is currently developing a sharing-economy based logistics technology platform targeting the Asia-Pacific region. On this basis it is considered that there is only one operating segment, the details of which are disclosed within this financial report.

ADDITIONAL SHAREHOLDER INFORMATION

Additional information required by Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The shareholder information set out below was applicable as at 28 August 2019.

1. DISTRIBUTION OF SHAREHOLDERS

Analysis of number of shareholders by size of holding:

Category of Holding	Number of Holders	Number of Shares	% of Capital
1 - 1,000	73	16,592	0.00
1,001 – 5,000	1,634	5,364,959	0.63
5,001 – 10,000	1,110	9,176,439	1.08
10,001 – 100,000	2,371	87,189,326	10.29
100,001 and over	554	745,692,684	87.99
Rounding			0.01
Total	**5,742**	**847,440,000**	**100.00**

2. TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders by account holding of ordinary shares are listed below:

Rank	Name	Shares	% of Shares
1.	CITICORP NOMINEES PTY LIMITED	50,077,142	5.91
2.	BNP PARIBAS NOMINEES PTY LTD HUB24 CUSTODIAL SERV LTD DRP	36,897,765	4.35
3.	RAVENHILL INVESTMENTS PTY LTD <HOUSE OF EQUITY A/C>	35,725,000	4.22
4.	GREAT SOUTHERN FLOUR MILLS PTY LTD	33,400,000	3.94
5.	REEF INVESTMENTS PTY LTD <T D NAIRN SUPER FUND A/C>	29,386,943	3.47
6.	REEF INVESTMENTS PTY LTD <TD NAIRN SUPER FUND (2) A/C>	28,640,000	3.38
7.	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	25,074,755	2.96
8.	NINETY THREE PTY LTD <ONE MILE S/F A/C>	25,000,000	2.95
9.	WATEROX PTY LTD <TIEN CHAI A/C>	25,000,000	2.95
10.	MR GRANT RUSSELL POVEY	24,850,000	2.93
11.	STATION NOMINEES PTY LTD <STATION SUPER FUND A/C>	24,625,000	2.91
12.	MRS MICHELLE DENNY <PIRATE'S COVE A/C>	23,625,000	2.79
13.	UBS NOMINEES PTY LTD	18,236,857	2.15
14.	ICE COLD INVESTMENTS PTY LTD	15,000,010	1.77
15.	MR STEPHEN ERNEST ANASTOS + MRS GLENISE KAYE HENDERSON <SEA S/F A/C>	13,450,000	1.59
16.	GREATSIDE HOLDINGS PTY LTD	11,677,983	1.38
17.	BERGER INVESTMENT FUND PTY LTD <BERGER INVESTMENT FUND A/C>	10,200,000	1.20
18.	INVICTUS CAPITAL PTY LTD <MAIN FAMILY A/C>	8,000,000	0.94
19.	BATAVIA CAPITAL PTY LTD <AUSTLEY A/C>	7,500,000	0.89
20.	MS SHANNON JAYNE ROBINSON	7,500,000	0.89

Total Twenty Largest Shareholders	453,866,455	53.57
Total Remaining Shareholders Balance	393,573,545	46.43

3. RESTRICTED SECURITIES

No restricted securities.

4. UNRESTRICTED SECURITIES

All securities are unrestricted.

5. SUBSTANTIAL SHAREHOLDERS

As at 28 August 2019 the substantial shareholder was as follows:

Name of Shareholder	No of Shares	% of Issued Capital
CITICORP NOMINEES PTY LIMITED	50,077,142	5.91

6. VOTING RIGHTS

At a general meeting of shareholders:

(a) On a show of hands, each person who is a member or sole proxy has one vote.

(b) On a poll, each shareholder is entitled to one vote for each fully paid share.