ORCODA LIMITED

ANNUAL REPORT 2020

Healthcare Logistics | Transport Logistics | Resource Logistics

Orcoda Limited
ABN 86 009 065 650

2020 Annual Report

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CORPORATE DIRECTORY

Directors

Nicholas Johansen	Non-Executive Chairman
Geoffrey Jamieson	Managing Director
Stephen Pronk	Non Executive Director
Brendan Mason	Non Executive Director

Company Secretary

Julian Rockett
B Arts, LLB, GDLP

Chief Financial Officer

Greg Khan
B.Business (Accounting)
MIPA, AFA, MIMC, MQJA

Registered Office

Unit 312,
434 St Kilda Road,
MELBOURNE VIC 3004

Head Office

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MELBOURNE VIC 3004
Telephone: (61-3) 9866 7333

Email: admin@orcoda.com
Homepage: www. orcoda.com
ASX Code: ODA

Corporate Governance Statement

Statement is available on homepage: www.orcoda.com

Auditors

RSM Australia Partners
Level 21,
55 Collins Street
MELBOURNE VIC 3000

Bankers

Westpac Banking Corporation
275 George Street
SYDNEY NSW 2000

Solicitors

Hopgood Ganim
Level 4,
105 St Georges Terrace
PERTH WA 6000

Securities Quoted

Australian Securities Exchange, ASX: ODA
Home Exchange – Australian Securities Exchange (Perth)

Share Registry

Computershare Registry Services
Level 2, 45 St Georges Terrace
PERTH WA 6000

Telephone: (61-8) 9323 2000
Facsimile: (61-8) 9323 2033

Notice of Annual General Meeting
Date To Be Confirmed

Chairman's Report

The past year, ending 30 June 2020, has been challenging second half for the Company as a result of the impact of COVID-19 with the Company incurring significant expenditure from reducing its workforce which resulted in multiple redundancy payments, paying out multiple long service leave payments and payouts to consultants, but all of this has resulted in a significant reduction in overheads.

The Resource division now has a long term contract that will generate an expected $2-3 million per annum in revenue and with the Resource division expecting to win other contracts in the near future will ensure the Company can look forward to promising years ahead.

The Healthcare Division is starting to grow again after being decimated by COVID-19 and can look forward to a good future once COVID-19 restrictions ease, so our people transport business "Orcoda Connect", can continue to enrich the lives of seniors and persons who have disabilities by providing them with safe, secure and reliable transport options.

The Transport Division has just been awarded a contract with Holy Cross Laundries which has added to our SaaS income and the division is bidding on a very large contract with a major international firm that could result in significant SaaS income into the future.

All in all we are now back in a growth phase again with sales forecasts for the coming financial year for the three Australian divisions, Healthcare Logistics, Transport Logistics and Resource Logistics, all looking promising.

In August 2019 we completed a $1.05 million capital raising at 16 cents per share from the placement of 6,562,500 ordinary shares and in March 2020, we completed a $1.2 million capital raising at 16 cents per share from the placement of 7,500,000 ordinary shares.

Finally, on behalf of the Board, I would like to thank the Orcoda team for their dedication and hard work this year, for taking the necessary steps to reduce the cost base and to optimise the business. Together, we are forging a solid position in the competitive but rewarding world of logistics excellence.

I thank you, our shareholders, for your loyalty and support.

Nicholas Johansen
Chairman

30 September 2020

DIRECTORS' REPORT

Your directors present their report together with the financial statements on the consolidated entity consisting of ORCODA Limited and the entities it controlled at the end of and during the year ended 30 June 2020.

Directors

The directors' names and qualifications during the financial year and up to the date of this report are:

Nicholas Johannsen (Appointed 21/6/2018)
Brendan Mason (Appointed 29/07/17)
Geoffrey Jamieson (Appointed 7/3/2018)
Stephen Pronk (Appointed 15/4/2019)

Nicholas Johansen – Chairman (Appointed 21/6/2018)

Chair Remuneration and Audit Committees Partner Cozens Johansen Law. NED Armadale Capital PLC. President NT Resources & Energy Law Association and Non Executive Director Hardey Resources Limited.

Geoffrey Jamieson – Managing Director (Appointed 7/3/2018)

MAICD, ex merchant banker previously held positions as Managing Director / Finance Director of 5 listed public companies and numerous private companies, His experience is across a broad range of industries which include software development, funds management, logistics in mining, oil & gas and transport. Previously Managing Director of Resource Connect.

Brendan L. Mason (Appointed 29/7/2017)

MAICD, previously held numerous senior leadership positions in a range of major international companies and organisations, including General Manager logistics at Boral, Cochlear's General Manager in Greater China, Lucent Technologies' Executive Director and Head of Sales and was previously Board Member, Treasurer and Chairman of the Australian Chamber of Commerce to China.

Stephen Pronk (Appointed 2/4/2019)

MAICD, owner and director of AimLab, a private Brisbane company which designs and manufactures pathology and analytical laboratory automation equipment, and hi is an active angel investor in early state start-ups through Brisbane Angels

Company Secretary

Julian Rockett (Appointed 29/1/2018)
LLB, B. Arts, GDLP

Dividends

There were no dividends declared or paid during the course of the financial year and no dividend is recommended (2019: nil).

Principal Activities

Operational efficiency specialists who supply best-in-class solutions that combine software, management expertise and contracting services, helping to make our clients among the most productive and cost-effective organisations in their respective industries.

Operating Results

The loss of the consolidated entity for FY20 amounted to $6,873,873 loss (2019: $535,683 loss). The major contributers to the results were as a result of $4.3 million intangibles write off, reduction in revenues as a result of COVID-19 and redundancy payments.
As at 30 June 2020 the consolidated entity had net assets of $7,384,728 (2019: $11,992,480).

DIRECTORS' REPORT (Cont)

Review of Current Operations

OVERVIEW

Orcoda Limited is an Australian-listed company (ASX:ODA) with expertise in business efficiency and optimisation. We are operational efficiency specialists who supply best-in-class solutions that combine software, management expertise and contracting services, helping to make our clients among the most productive and cost-effective organisations in their respective industries.

Our clients come from a diverse array of industry sectors and include some of Australia's largest companies operating in Oil & Gas, Mining, Infrastructure, Transport and Healthcare sectors.

Orcoda's combined offering is focused on three key business sectors: healthcare, transportation and resources. We pride ourselves on enabling our clients to generate fast, accurate and reliable information, ensuring they are able to make the best business decisions the first time, every time and on time.

At Orcoda, we understand that every business involves a combination of people, systems and processes. Orcoda enhances and empowers each of these core elements by ensuring staff have access to accurate and relevant information, and by providing the support of experienced professionals capable of dealing with any challenge.

Plan

The ability to plan effectively is in our DNA and we embed this into our clients DNA

- Workforce and fleet scheduling, rostering and compliance
- Business intelligence and workflows
- Workforce and asset mobilisation strategies
- Economic modelling and scenario analysis

Mobilise

We mobilise assets and people in the most timely and cost-effective way, no matter the challenge.

- End-to-end visibility and control over people & assets
- Asset procurement, utilisation and optimisation
- Adaptive workforce mobilisation scenarios
- Real-time client demand mapping

Manage

We help identify, adapt and respond to changes as they occur, minimising disruption and maximising profitability.

- Real-time reporting and analysis over workforce and assets
- Generate adaptive business scenarios
- Contractor and compliance management
- System and process engineering and integrations

Orcoda has three Divisions, Healthcare Logistics (disability and seniors transport, healthcare services) Transport Logistics (metro services, line haul and field services) and Resource Logistics (oil & gas, mining and infrastructure).

HEALTHCARE LOGISTICS

Orcoda Healthcare Logistics is an innovative mobile healthcare solution which improves client outcomes and optimises the efficiency of mobile healthcare services delivery. We sell our SaaS solution to clients in the healthcare sector and also operate our own fleet of vehicles to deliver a much needed service to the sector, we have called this business "Orcoda Connect".

Our solution has been designed with a single philosophy in mind - Client Care. We combine Orcoda's mix of industry knowledge and management expertise with market-leading technology. This enables us to provide best-in-class services to organisations across the entire Healthcare spectrum, including aged and high needs care providers, community organisations, NFPs and NDIS service providers.

Our Drivers are more than just qualified to drive, our caring drivers are trained and compliant with statutory clearance (Blue Card , Yellow Card, National Police Check, Driver Accreditation) combined with a CPR and first aid certification.

DIRECTORS' REPORT (Cont)

Homecare Services

Our optimised communication system enables Healthcare Providers to give Clients and their families real-time updates of when care services are booked and when to expect them. Live status updates are tracked via our platform and streamed to any mobile device. You and your loved ones will always be kept informed.

Disability Transport Services

Using our technology and expertise, Orcoda can deliver the transport functions of an existing provider as either a fully outsourced subcontractor or your own managed fleet. Fleets comprising a mix of company and subcontractor Orcoda vehicles are easily managed and are allocated on various priority levels with overflow settings.

Our optimisation process provides a unique technical advantage when it comes to managing and deploying people, vehicles and transport services. We are able to assist providers who run their own services as well as support various Government programmes like Health departments, Centacare, MyAge Care, Medicare and NDIS scheme providers.

Health Transport Services

Using our scheduling and route optimisation technology, Orcoda can improve the efficiency and reliability of fleets delivering critical medical supplies. Our system optimises travel plans and makes these available with real-time updates to all stakeholders via a security filtered web interface and mobile application.

To maximise fleet effectiveness, the Orcoda Healthcare Logistics System is tailored to your specific situation and includes the services of our expert planners in your office, to ensure the seamless delivery of vital services to your clients. The team behind the planners manage issues as they arise.

Our in house transport fleet is called Orcoda Connect

DIRECTORS' REPORT (Cont)

TRANSPORT LOGISTICS

Orcoda Transport Logistics is built on our extensive history and knowledge of delivering logistic solutions that empower organisations to be market leaders in transport, field service and distribution of goods and services.

Our solutions incorporate all your operational and customer service rules, optimising your fleet's schedule to ensure full operational and service-level compliance is delivered with maximum efficiency. Based on cloud SaaS architecture, Orcoda Transport Logistics ensures all stakeholders, both internal and external, have visibility and control of their future schedules, with real-time views and notifications of in-field progress when paired with our customised mobility solution. Whether you deliver or pick up goods or offer services that require logistics, Orcoda Transport Logistics can transform your operation by increasing efficiency, compliance, visibility and service levels, all while lowering your bottom line costs.

Scheduling, Planning & Management

Adaptable to any type of logistics-based operation, including delivery and service operations, Orcoda Transport Logistics provides schedulers the flexibility to optimise a fleet with compliant schedules at the push of a button, or to create manual schedules that are compliant by using simple drag-and-drop functionality.

Our optimisation software can be tailored to your operation's unique rules, KPIs and operational variables, which can all be factored into the daily plan for your business. The software can also issue notifications to staff to inform them of their daily plans and to your business. The software issues notifications to your staff for daily plans and customers for arrival times.

Our expert management team can provide an outsourced solution that works in your office. We can design and improve key project processes through our specialist supply-chain knowledge, helping to save you money and time across all areas.

Mobility & Visibility

Orcoda Transport Logistics allows stakeholders to monitor real-time progress of each schedule, order fulfilment status and worker location information on a live map and respond immediately to any exceptions. The Orcoda Transport Logistics solution also provides immediate feedback to assist schedulers in adjusting their schedules for efficiency and identifying in real-time the impact of each decision on the bottom line.

Business Intelligence & Workflow

The automated workflow and notification engine enables the system to predict any future exceptions to business rules and schedules based on your current activity. Using the system's real-time and long-range reporting and analysis tools, your organisation can optimise its fleet and movements based on accurate and up-to-date information generated in-field.

RESOURCE LOGISTICS

Orcoda Resource Logistics offers best-in-class service and technology in order to manage people, places and process on complex resources projects for which visibility and control over the whole work team and assets are critical to safety and success.

Orcoda's solutions have been built on the back of some of Australia's largest workforce-intensive projects. Our expertise extends across all phases of delivery, from early works through to construction, operation and maintenance. We bring together a combination of management, contracting experience and technology to simplify the complexity of mass workforce deployments.

Our approach is to integrate the Orcoda solution into your existing systems rather than replacing them. This ensures that we can centralise all information in one place to give you complete visibility at all stages, including onboarding, mobilisation and worksite movements. The results are reduced costs, reduced risk and increased productivity for your project.

Management

Our expert management team provide an outsourced solution that works in our clients office and caters to the many and evolving needs of their projects. We can design and improve key project processes through our specialist supply-chain knowledge, helping save money and time across all areas.

Our approach is to ensure everyone in the supply chain receives accurate and relevant information, with updates immediately communicated through to managers and workers. Key stakeholders have visibility and control over workers at all stages of onboarding, mobilisation and worksite movements. Orcoda specialists work with the senior management team, empowering them to make fast, accurate and cost-saving decisions, while also ensuring compliance with company policies.

Contracting

We procure and manage the service providers required to facilitate every stage of a project.

Platform & Integration

Orcoda specialises in connecting all personnel and suppliers into one continuous supply chain and can digitally connect systems and data from all suppliers and contractors to create a seamless, end-to-end process.

Our in-house development team can integrate the clients existing systems into our digital platform, without the need to replace them. The result is a streamlined single source of truth, allowing our clients to manage and control the entire project workforce, including subcontractors and suppliers using real-time information.

DIRECTORS' REPORT (Cont)

BOARD CHANGES AND APPOINTMENT

There were no changes or new appointments to the board during the financial yeaer and the current board is made up of the following:

Nicholas Johansen	(Chairman and Chairman of Audit Committee and Remuneration Committee)
Geoffrey Jamieson	(Managing Director / CFO and member of Audit Committee)
Brendan Mason	(Non Executive Director and member of Remuneration Committee)
Stephen Pronk	(Non Executive Director)

Significant changes in the state of affairs

During the financial year, COVID-19 had an impact on operations which caused a reduction in revenue across operations, with the largest impact being in Healthcare where our aged and disability transport was significantly affected. The Mt Buller contract revenue has also been affected because of stage 4 restrictions being imposed in Melbourne and stage 3 restrictions applying to the rest of Victoria.

The Managing Director and two Non Executive Directors entered into agreements with the Company to reduce their contracts by 50% for a period of 6 months and one Non Executive Director reduced his contract to nil for 6 months due to COVID-19 impacts on the Company.

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

Environmental regulation

The consolidated entity is not subject to any significant environmental regulation under Australian law.

Matter subsequent to the end of the financial year

The Victorian State Government through Mt Buller & Mt Stirling Management Board entered into an exceptional circumstances agreement with Resource Connect Logistics Pty Ltd, a wholly owned subsidiary of Orcoda Limited to compensate Orcoda for the cancellation of the Snow Season as a result of COVID-19. This agreement was for the gross sum of $654,00. After various adjustments including satisfying conditions precedent relating to existing arrangements, Orcoda is expected to receive an amount of $292,329.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it had an impact on operations which caused a reduction in revenue across operations during the current financial year. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided, therefore it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect Orcoda Limited and its controlled entities' operations, the results of those operations, or the state of affairs in future financial years.

Likely developments and expected results

The Company will continue to look for ways to improve performance and cash flow, particularly where revenue is not impacted, in order increase profitability.

Auditors

RSM Australia Partners continue in office in accordance with Section 327 and 324DAA of the Corporations Act 2001.

Non-audit services

As non-audit service, technical assistance in relation to new accounting standards has been provided during the financial year. Fee for this technical assistance amounted to $3,320 (2019: nil).

Insurance of Directors and Officers

During the financial year, Orcoda Limited insured all directors and officers of the consolidated entity for all liabilities and costs relating to any claim made against them arising out of their conduct whilst acting as a director or officer of the consolidated entity, other than conduct involving a wilful breach of duty in relation to the consolidated entity.

Indemnity and insurance of auditor

Orcoda Limited has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

DIRECTORS' REPORT (Cont)

Meetings of Directors

The following table sets out the number of formal meetings of the Company's directors during the year ended 30 June 2020 and the number of meetings attended by each director:

Director	No. of meetings held whilst Director	No. of Meetings Attended
Nicholas Johansen	8	8
Brendan Mason	8	8
Geoffrey Jamieson	8	8
Stephen Pronk	8	8

Proceedings on Behalf of Company

No person has applied for leave of Court 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 any part of those proceedings.

The Company was not a party to any such proceedings during the year other than a Fair Work claim by an employee which was settled before reaching court proceedings.

Outstanding options

At the date of this report, the following unlisted options outstanding are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Option
07/03/2018	07/03/2021	$0.5625	2,000,000
05/06/2018	05/03/2021	$0.5625	200,000
27/9/2019	27/9/2022	$0.5000	100,000
17/01/2020	17/01/2023	$0.5000	12,000,000

Shares issued on the exercise of options

No ordinary shares were issued during the year ended 30 June 2020 and up to the date of this report on the exercise of options granted.

REMUNERATION REPORT

Your directors present their Remuneration Report for the year 1 July 2019 to 30 June 2020.

Role of Board of Directors

The Board determines the appropriate nature and amount of remuneration. The Board seeks to ensure that executive reward satisfies the following criteria for good reward governance practice:

- competitiveness and reasonableness;
- acceptability to shareholders;
- alignment of executive remuneration to performance;
- transparency and capital management.

Non-Executive Directors

Fees paid to non-executive directors reflect the benefit of research into published information as to the level of remuneration paid to directors of comparable companies.

Executives

Executive directors and key management personnel remuneration comprises base salary and superannuation. Base salary is reviewed annually by the Board having regard to the overall levels of remuneration of executives in comparable Australian companies.

Chairman

The services of the Chairman reflect the benefit of research into published information as to the level of remuneration paid to chairpersons of comparable companies.

DIRECTORS' REPORT (Cont)

Letter of Appointment

Remuneration and other terms of employment for the executive director are formalised in a letter of appointment that also contains comprehensive provisions in relation to termination, confidentiality and suspension.

Remuneration of Directors and Key Management Personnel

(a) Names and positions held of Parent Entity Directors and Key Management Personnel in office at any time during the financial year are:

Parent Entity Directors

Nicholas Johansen	Chairman – Non-Executive Director (ongoing)
Geoffrey Jamieson	Managing Director – Executive (ongoing)
Brendan Mason	Director – Non Executive Director (ongoing)
Stephen Pronk	Director – Non Executive Director (Appointed 15/4/2019)

Other Key Management Personnel

Greg Khan	CFO (Appointed 2/3/2020)

(b) Table of benefits and payments to Directors' and Key Management Personnel for the year ended 30 June 2020

		Short-term benefits				Post-employment benefits		Long-term benefits		Equity-settled share-based payments		
		Salary, fees and leave	Profit share and bonuses	Non-monetary	Other	Pension and Superannuation	Other	LSL	Shares / Units	Options / Rights	Termination benefits	Total
		Directors										
Brendan Mason[1]	2019	226,173	-	-	15,000	-	-	-	-	-	-	241,173
	2020	26,250	-	-	-	-	-	-	-	18,000	-	44,250
Nicholas Johansen[2]	2019	50,000	-	-	-	-	-	-	-	-	-	50,000
	2020	43,752	-	-	-	-	-	-	-	36,000	-	79,752
Geoff Jamieson[3]	2019	250,000	-	-	50,000	-	-	-	-	-	-	300,000
	2020	259,375	-	-	-	-	-	-	-	144,000	-	403,375
Stephen Pronk[4]	2019	4,125	-	-	-	-	-	-	-	-	-	4,125
	2020	7,500	-	-	-	-	-	-	-	18,000	-	25,500
Warren Preston*	2019	150,000	-	-	-	-	-	-	-	-	-	150,000
	2020	-	-	-	-	-	-	-	-	-	-	-
Sub-Total	**2019**	***680,298***	**-**	-	***65,000***	**-**	-	-	**-**	**-**	-	***745,298***
	2020	***336.877***	**-**	-	**-**	**-**	-	-	**-**	***216,000***	-	***552,877***
		Other Key Management Personnel										
Scott McIntosh*	2019	87,500	-	-	-	-	-	-	-	-	-	87,500
	2020	-	-	-	-	-	-	-	-	-	-	-
Greg Khan[5]	2019	-	-	-	-	-	-	-	-	-	-	-
	2020	71,658	-	-	-	-	-	-	-	1,500	-	73,158
Total	**2019**	***767,798***	**-**	**-**	***65,000***	**-**	**-**	**-**	**-**	**-**	**-**	***832,798***
	2020	***408,535***	**-**	**-**	**-**	**-**	**-**	**-**	**-**	***217,500***	**-**	***626,035***

* These Directors or Key Management Personnel had resigned prior to 30 June 2019.

DIRECTORS' REPORT (Cont)

[1] Fees were paid to SinoOz Limited in which Brendan Mason has an interest in.
[2] Fees were paid to Harkiss Minerals Discovery Pty Ltd in which Nicholas Johansen has an interest in.
[3] Fees were paid to Tamlin Holdings Pty Ltd in which Geoff Jamieson has an interest in.
[4] Fees were paid to Pronk Holdings Pty Ltd in which Stephen Pronk has an interest in.
[5] Fees were paid to GJK Company Pty Ltd in which Greg Khan has an interest in.

The service and performance criteria set to determine remuneration are set out in paragraph (f) of the Remuneration Report

Performance Conditions Linked to Remuneration

The consolidated entity's emphasis upon incentives that reward for results and continued commitment to the consolidated entity through the provision of various cash bonus reward schemes, specifically the incorporation of incentive payments based on the achievement of revenue and profit targets, return on equity ratios, and continued employment with the consolidated entity provides management with a performance target which focuses upon sales growth and profitability utilising existing group resources.

Employment Details of Members of Key Management Personnel and Other Executives

The following table provides employment details of persons who were, during the financial year, members of key management personnel of the consolidated entity. The table also illustrates the proportion of remuneration that was performance and non-performance based and the proportion of remuneration received in the form of options.

Name	Position held as at 30 June 2020 and any change during the year	Contract Details (Duration and Termination)	Proportions of elements of remuneration related to performance			Proportions of elements of remuneration not related to performance	
			Non-salary cash-based incentives	Shares/ Units	Options/ Rights	Fixed Salary/Fees	Total
Nicholas Johansen	Non-Executive Chairman	Ongoing contract $50,000 per annum	-	-	-	100.0%	100.0%
Geoffrey Jamieson	Managing Director	2 year agreement with entitlement to receive 12 Months payments if terminated in first 12 months and 6 months payment if terminated in second 12 months	-	-	-	100.0%	100.0%
Stephen Pronk	Non Executive Director	No contract NED fees $15,000 per annum	-	-	-	100.0%	100.0%
Brendan Mason	Non Executive Director	New Contract started 1/7/2019 for NED fee $30,000 per annum	-	-	-	100%	100.0%
Greg Khan	Chief Financial Officer (Appointed 9/3/2020)	Ongoing contract from 2/3/2020	-	-	-	100.0%	100.0%

In April 2020, the Managing Director and two Non Executive Directors entered into agreements with the Company to reduce their contracts by 50% for a period of 6 months and one Non Executive Director reduced his contract to nil for 6 months due to COVID-19 impacts on the Company.

On appointment to the board, all non-executive Directors enter into a service agreement with the company in the form of a letter of appointment. The letter summarises the board policies and terms, including compensation, relevant to the office of director.

The employment terms and conditions of all KMP are formalised in contracts of employment. Each of these agreements provide for the provision of performance related cash bonuses, other benefits including car allowances, mobile telephone and laptop, and equity participation, when eligible.

Terms of employment of other KMP require that the relevant consolidated entity provide an executive contracted person with a minimum of one month's notice prior to termination of contract. Termination payments are not payable on resignation or under the circumstances of unsatisfactory performance.

Non-Executive Directors are subject to similar contracts requiring one month's notice to be given on termination. Termination payments are at the discretion of the remuneration committee.

DIRECTORS' REPORT (Cont)

Changes since the end of the reporting period

No changes in directors and key management personnel have occurred since the end of the reporting period.

Share-based compensation
Issue of shares
No shares were issued to directors in lieu of previous year's director fees.

Options
Options were granted as remuneration to directors and key management personnel during the reporting period (details are set out in paragraph (d) of the Remuneration Report). These options were not subject to performance conditions and thus vested on grant date.

(c) Shareholdings

Number of Shares held directly or indirectly by Parent Entity Directors and Key Management Personnel:

30 June 2020	Balance at the start of the year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at the end of the year
Parent Entity Directors					
Geoffrey Jamieson	8,916,732	-	-	54,000	8,970,732
Brendan Mason	1,462,339	-	-	-	1,462,339
Nicholas Johansen	25,000	-	-	-	25,000
Stephen Pronk	9,168,335	-	-	(25,001)	9,143,334
Greg Khan	-	-	-	352,651	352,651
Total	19,572,406	-	-	381,650	19,954,056

30 June 2019	Balance at the start of the year	Granted as remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at the end of the year
Parent Entity Directors					
Geoffrey Jamieson	8,780,104	17,000	-	119,628	8,916,732
Brendan Mason	13,334	1,429,247	-	19,758	1,462,339
Nicholas Johansen	-	-	-	25,000	25,000
Stephen Pronk**	-	-	-	9,168,335	9,168,335
Scott Mcintosh *	8,764,104	-	-	(8,764,104)	-
Warren Preston *	8,764,104	-	-	(8,764,104)	-
Total	**26,321,646**	**1,446,247**	**-**	**(8,195,487)**	**19,572,406**

* These Directors were resigned on and before 30 June 2019.
** Stephen Pronk was appointed on 15th April 2019.

DIRECTORS' REPORT (Cont)

(d) Option holdings

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

30 June 2020	Balance at the start of the year	Granted as remuneration during the year	Other changes dug the year	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Nicholas Johansen	-	2,000,000	-	-	-	2,000,000
Geoffrey Jamieson	-	8,000,000	-	-	-	8,000,000
Brendan Mason	-	1,000,000	-	-	-	1,000,000
Stephen Pronk	-	1,000,000	-	-	-	1,000,000
Greg Khan	-	100,000	-	-	-	100,000
	-	**12,100,000**	**-**	**-**	**-**	**12,100,000**

No options were owned or issued to any Directors as at 30 June 2019.

e) Other transactions with key management personnel and their related parties

There has been no other transactions involving equity instruments other than those described in the tables above.

(f) Remuneration Practices

The Company's policy for determining the nature and amount of emoluments of directors and key management personnel of the Company is as follows:

The remuneration structure for the executive directors and key management personnel is based on a number of factors including length of service, particular experience of the individual concerned, and overall performance of the Company. Employment between the Company and the executive directors and key management personnel is on a continuing basis, not formalised by service agreements, the terms of which are not expected to change in the immediate future. Upon retirement the executive director and key management personnel are paid employee benefit entitlements accrued to date of retirement. The executive directors and key management personnel are paid a percentage of their salary (determined by the Board at the time) in the event of redundancy. Additionally, remuneration and other terms of employment for the executive directors are formalised in a letter of appointment that also contains comprehensive provisions in relation to termination, confidentiality and suspension.

(g) Remuneration policy

The remuneration policy of Orcoda Limited has been designed to align key management personnel ("KMP") objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the consolidated entity's financial results.

The Board of Orcoda Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the consolidated entity as well as create goal congruence between Directors, Executives and Shareholders.

The Board's policy for determining the nature and amount of remuneration for KMP of the consolidated entity is as follows:

- The remuneration policy is to be developed by the Remuneration Committee and approved by the Board after professional advice is sought from independent external consultants where considered necessary and is designed to attract the highest caliber of executives.
- KMP receive a combination of base salary (which is based on factors such as length of service and experience), superannuation, fringe benefits, options and performance incentives and rewards them for performance results aimed at long term growth in shareholder wealth.
- Performance incentives are generally only paid once predetermined key performance indicators have been met.
- Incentives paid in the form of options or rights are intended to align the interests of the Directors and Company with those of the Shareholders. In this regard, KMP are prohibited from limiting risk attached to those instruments by use of derivatives or other means.
- The Remuneration Committee reviews KMP packages annually by reference to the consolidated entity's performance, executive performance and comparable information from industry sectors.

The performance of KMP is measured against criteria agreed bi-annually with each executive and is based predominantly on the forecast growth of the consolidated entity's profits and shareholders' value. All bonuses and incentives must be linked to predetermined performance criteria. The Board may, however, exercise its discretion in relation to approving incentives, bonuses and options, and can recommend changes to the committee's recommendations. Any changes must be justified by reference to measurable performance criteria. The policy is designed to attract the highest calibre of executives and reward them for performance results leading to long-term growth in shareholder wealth.

DIRECTORS' REPORT (Cont)

Remuneration policy (Cont)

KMP receive a superannuation guarantee contribution required by the government, which for the FY2018 financial year was 9.5% of the individual's average weekly ordinary time earnings (AWOTE), and do not receive any other retirement benefits. Some individuals, however, have chosen to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to KMP is valued at the cost to the company and expensed.

The Board's policy is to remunerate Non-Executive Directors at market rates for time, commitment and responsibilities. The remuneration committee determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to Non-Executive Directors is subject to approval by shareholders at the Annual General Meeting.
KMP are also entitled and encouraged to participate in the employee share and option arrangements to align directors' interests with shareholders' interests.

Options granted under the arrangement do not carry dividend or voting rights. Each option is entitled to be converted into one ordinary share once the interim or final financial report has been disclosed to the public and is valued using the Black-Scholes methodology.

KMP or closely related parties of KMP are prohibited from entering into hedge arrangements that would have the effect of limiting the risk exposure relating to their remuneration.

In addition, the Board's remuneration policy prohibits directors and KMP from using Orcoda Limited shares as collateral in any financial transaction, including margin loan arrangements.

(h) Engagement of Remuneration Consultants

No remuneration consultant was engaged during the year.

(i) Performance-based Remuneration

The key performance indicators (KPIs) are set annually, with a certain level of consultation with KMP. The measures are specifically tailored to the area each individual is involved in and has a level of control over. The KPIs target areas the Board believes hold greater potential for group expansion and profit, covering financial and non-financial as well as short and long-term goals. The level set for each KPI is based on budgeted figures for the consolidated entity and respective industry standards.

Performance in relation to the KPIs is assessed annually, with bonuses being awarded depending on the number and deemed difficulty of the KPIs achieved. Following the assessment, the KPIs are reviewed by the Remuneration Committee in light of the desired and actual outcomes, and their efficiency is assessed in relation to the consolidated entity's goals and shareholder wealth, before the KPIs are set for the following year.

In determining whether or not a KPI has been achieved, Orcoda Limited bases the assessment on audited figures; however, where the KPI involves comparison of the consolidated entity, or a division within the consolidated entity, to the market, independent reports may be obtained from organisations such as Standard & Poors.

(j) Relationship between Remuneration Policy and Company Performance

The remuneration policy has been tailored to increase goal congruence between Shareholders, Directors and Executives. Two methods have been applied to achieve this aim, the first a performance-based bonus based on key performance indicators and the second the issue of options to Executives to encourage the alignment of personal and shareholder interests when considered appropriate.

The following table shows the gross revenue and profits for the last five years for the consolidated entity, as well as the share prices at the end of the respective financial years.

	2020 $'000	2019 restated $'000	2018 $'000	2017 $'000	2016 $'000
Revenue	1,834	2,527	1,389	3,192	11,648
Net Profit/(loss)	(6,874)	(536)	(5,833)	(6,278)	(2,811)
Share price at year-end (dollar)	0.140	0.100	0.004	0.008	0.035

The major contributers to the results in 2020 were as a result of $4.3 million intangibles write off, reduction in revenues due to COVID-19 and redundancy payments made to employees.

This concludes the remuneration report, which has been audited.

DIRECTORS' REPORT (Cont)

Auditor's independence declaration

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

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

On behalf of the directors

Geoffrey Jamieson

GEOFFREY JAMIESON
Managing Director
Brisbane, Queensland

Dated: 30 September 2020

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Orcoda Limited and its controlled entities for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

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

RSM AUSTRALIA PARTNERS

R B MIANO
Partner

Dated: 30 September 2020
Melbourne, Victoria

DIRECTORS' DECLARATION

In the directors' opinion:

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

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and

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

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

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

On behalf of the Directors

Geoffrey Jamieson

GEOFFREY JAMIESON
Managing Director
Brisbane, Queensland

Dated: 30 September 2020

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 30 June 2020

	Note	2020 $	Restated 2019 $
Continuing Operations			
Revenue - Operations	4	1,701,759	2,012,015
Other Income		132,701	25,290
Employee salaries and benefits expense		(882,841)	(646,555)
Material, installation and R&D expense		(1,050,399)	(531,611)
Depreciation expense		(119,319)	(3,627)
Consultancy cost		(1,255,731)	(1,023,869)
ASIC, Audit & Tax		(222,573)	(179,007)
Investor Relations		-	(6,313)
Share-based payment		(217,500)	-
Rental & occupancy costs		(186,560)	(215,298)
Travelling and accommodation costs		(64,803)	(80,436)
Amortisation of intangible assets		(54,477)	(16,023)
Legal & associated costs		(25,032)	(68,266)
Impairment Loss	15	(4,323,315)	-
Other Expenses		(171,692)	(53,029)
Foreign exchange gain/(loss)		487	(4,986)
Loss before income tax from continuing operations		**(6,739,295)**	**(791,716)**
Income tax (expense)/benefit	6	**-**	**-**
Loss after income tax from continuing operations		**(6,739,295)**	**(791,716)**
Discontinued Operations			
Profit (loss) after income tax from discontinued operations	10	**(134,578)**	**256,033**
Loss for the year		**(6,873,873)**	**(535,683)**
Other comprehensive income for the year			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation reserve		(76,879)	(325,996)
Total comprehensive loss for the year		**(6,950,752)**	**(861,679)**
Total comprehensive loss for the year attributable to:			
Continuing operations		(6,739,295)	(791,716)
Discontinued operations		(211,457)	(69,963)
Total comprehensive loss for the year		**(6,950,752)**	**(861,679)**
Loss per share (cents) (basic and diluted) from continuing operations	24	(6.14)	(0.86)
Earnings (Loss) per share (cents) (basic and diluted) from discontinued operations	24	(0.12)	0.28
Loss per share (cents) (basic and diluted) attributable to the owners of Orcoda Limited	24	**(6.28)**	**(0.58)**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	2020	Restated 2019
		$	$
Current Assets			
Cash and cash equivalents	7	1,371,549	1,325,148
Trade and sundry receivables	8	211,286	35,046
Other financial assets	28	159,000	-
Other assets	9	458,019	432,283
Assets of disposal group classified as held for sale	10	-	86,348
Total Current Assets		**2,199,854**	**1,878,825**
Non-Current Assets			
Intangible assets	15	6,708,030	11,085,923
Plant and equipment	13	33,348	15,798
Right-of-use assets	14	674,991	-
Total Non-Current Assets		**7,416,369**	**11,101,721**
TOTAL ASSETS		**9,616,223**	**12,980,546**
Current Liabilities			
Trade and other payables	16	355,674	443,300
Provisions	17	19,969	152,019
Current lease liability	18	171,369	-
Current prepaid licencing income liability	19	270,000	80,000
Total Current Liabilities		**817,012**	**675,319**
Non-Current Liabilities			
Lease liability	18	520,070	-
Prepaid licencing income liability	19	894,413	312,747
Total Non-Current Liabilities		**1,414,483**	**312,747**
TOTAL LIABILITIES		**2,231,495**	**988,066**
NET ASSETS		**7,384,728**	**11,992,480**
Equity			
Issued capital	20	**95,356,131**	**93,230,631**
Reserves		**(37,387)**	**1,487,606**
Accumulated losses		**(87,934,016)**	**(82,725,757)**
TOTAL EQUITY		**7,384,728**	**11,992,480**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2020

	Ordinary Share Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at *1 July 2018*	91,690,208	2,137,601	(82,190,074)	11,637,734
Adjustment due to change in accounting policy (Note 1)	-	-	(392,747)	(392,747)
	91,690,208	2,137,601	(82,582,821)	11,244,988
Comprehensive income:				
Foreign currency translation	-	(325,995)	-	(325,995)
Loss after tax for the year	-	-	(142,936)	(142,936)
Total comprehensive income	-	(325,995)	(142,936)	(468,931)
Transactions with owners in their capacity as owners:				
Shares issued during the year	1,000,000	-	-	1,000,000
Cost of shares issued	(50,000)	-	-	(50,000)
Performance rights issued during the year	590,423	(324,000)	-	266,423
Restated Balance at *30 June 2019*	93,230,631	1,487,606	(82,725,757)	11,992,480
Restated Balance at *1 July 2019*	93,230,631	1,487,606	(82,725,757)	11,992,480
Comprehensive income:				
Foreign currency translation	-	(76,879)	-	(76,879)
Loss after tax for the year	-	-	(6,873,873)	(6,873,873)
Total comprehensive income	-	(76,879)	(6,873,873)	(6,950,752)
Transactions with owners in their capacity as owners:				
Shares issued during the year	2,250,000	-	-	2,250,000
Cost of shares issued	(124,500)	-	-	(124,500)
Options issued during the year	-	217,500	-	217,500
Options expired during the year	-	(1,665,614)	1,665,614	-
Balance at *30 June 2020*	**95,356,131**	**(37,387)**	**(87,934,016)**	**7,384,728**

The accompanying notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2020

	Note	2020 $	2019 $
Cash Flows from Operating Activities			
Receipts from customers		2,171,286	1,795,503
Payments to suppliers and employees		(4,348,863)	(3,956,552)
Research and development tax incentive		415,206	425,582
Interest received		504	4,871
Interest expense on lease liability		(28,606)	-
Net cash used in Operating Activities	27	**(1,790,473)**	**(1,730,598)**
Cash Flows from Investing Activities			
Payments for plant and equipment		(38,356)	-
Payments for other financial assets		(159,000)	-
Net cash used in Investing Activities		**(197,356)**	**-**
Cash Flows from Financing Activities			
Proceeds from capital raisings		2,250,000	1,000,000
Payment for capital raising costs		(124,500)	(50,000)
Principal repayment of lease liability		(91,231)	-
Net cash provided by Financing Activities		**2,034,269**	**950,000**
Cash and cash equivalents at the beginning of year		1,325,148	2,105,116
Net increase/(decrease) in cash and cash equivalents		46,440	(780,597)
Effects of foreign exchange		(39)	629
Cash and cash equivalents at the end of year	7	**1,371,549**	**1,325,148**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES

The financial report covers the consolidated entity of Orcoda Limited and controlled entities ("consolidated entity"). Orcoda Limited is a listed public company, incorporated and domiciled in Australia.

The financial report was authorised for issue on 30 September 2020 by the Board of Directors.

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

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

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

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 30.

Going concern
The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the consolidated entity incurred a loss of $6,873,873 and had net cash outflows from operating activities of $1,790,473 for the year ended 30 June 2020.

These factors indicate a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The Directors believe that it is reasonably foreseeable that the consolidated entity will continue as a going concern after consideration of the following factors:

- the Company received R&D incentive payments of $430,000 during the current financial year which was related to FY2019, is expecting to receive R&D incentive payments of approximately $400,000 during the next financial year relating to FY2020 and is confident it will receive such payments into the future in respect of R&D expenditure incurred. These amounts are included in the cash flow forecasts;
- the cash flow forecasts for the consolidated entity indicate there will be sufficient funds to enable its cash requirements to be met over the 12-month period from the date of this report and sufficient working capital to enable the consolidated entity to meet its debts as and when they fall due; and
- the consolidated entity expects to generate income from existing contracts in accordance with its cash flow forecasts;
- marketing and administration costs are constantly being monitored so that they are kept at minimal levels and reduced where possible.

Accordingly, the Directors believe it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES (Cont)

New, revised or amending Accounting Standards and Interpretations adopted (Cont)

AASB 16 Leases
The consolidated entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Impact of adoption
AASB 16 was adopted using the modified retrospective approach and as such the comparatives have not been restated. There was no material impact on date of initial adoption of AASB16 as all existing leases at 1 July 2019 are short-term which are exempted under the standards' practical expedient.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2020.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.

Conceptual Framework for Financial Reporting (Conceptual Framework)
The revised Conceptual Framework is applicable to annual reporting periods beginning on or after 1 January 2020 and early adoption is permitted. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards. Where the consolidated entity has relied on the existing framework in determining its accounting policies for transactions, events or conditions that are not otherwise dealt with under the Australian Accounting Standards, the consolidated entity may need to review such policies under the revised framework. At this time, the application of the Conceptual Framework is not expected to have a material impact on the consolidated entity's financial statements.

Accounting Policies

Change in accounting policy for revenue recognised on sale of Intellectual Property licenses

During the current financial year, management undertook a detailed review of the income generated from Intellectual Property (IP) license sales to customers to comply with AASB15 *Revenue from Contracts with Customers.* This review included an assessment of the contractual obligations associated with IP license sales. As a result of this review, the recognition of revenue from IP license sales will be recognised in the statement of profit and loss and other comprehensive income over the 5 year term of the contractual obligations.

This assessment has resulted in a restatement of revenue for the year ended 30 June 2019. As a result of the change in accounting policy, revenue of $392,747 has been reduced from the 2019 financial year and will therefore be recognised as revenue straight-lined over the subsequent 4 years. This restatement has been corrected by restating each of the affected financial statements' line items for the prior period as follows:

	2019	**Adjustment**	**2019 restated**
Services Revenue from continuing operations	1,577,201	(392,747)	1,184,454
Prepaid licencing income liabilities	-	392,747	392,747
Accumulated losses	82,333,010	392,747	82,725,757

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES (Cont)

(a) Principles of consolidation

A controlled entity is any entity Orcoda Limited is exposed or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of controlled entities is contained in Note 11 to the financial statements. All controlled entities have a June financial year end except for SmartTrans Technology (Beijing) Co. Limited and Beijing SnartTrans Import and Export Trade Co. Ltd which have a December financial year end.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

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

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Subsidiaries are all those entities over which the consolidated entity has control. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

(b) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the financial position date.

Deferred tax is accounted for using the financial position liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

(c) Plant and equipment

Each class of plant and equipment is carried at cost less any accumulated depreciation and any impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.
The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES (Cont)

Plant and equipment (Cont)

The useful lives for each class of depreciable assets are:

Class of Fixed Asset	Useful lives
Plant and equipment	2 to 10 years
Office furniture	3 years
Computer and other electronic equipment	2 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each financial position date.
An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are taken to profit or loss.

(d) Right-of-use assets

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

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

	Useful lives
Right-of-use assets	2 to 10 years

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

(e) Impairment of assets

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES (Cont)

(f) Intangibles

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

Research and development
Expenditure during the research phase of a project is recognised as an expense when incurred. Products and software development costs, including the consolidated entity’s route optimisation and mobile data systems technology, are capitalised only when technical feasibility studies identify that the project will deliver future economic benefits and these benefits can be measured reliably.

Products and software development costs have a finite life and are amortised on a systematic basis over the useful life of the project which is estimated to be 3 to 5 years. Products and software development costs are carried at cost less accumulated amortisation and any impairment loss.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

(g) Earnings per share

Basic earnings per share is determined by dividing the operating loss after income tax attributable to members of Orcoda Limited by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share are calculated by dividing the operating loss after income tax attributable to members Orcoda Limited by the weighted average number of ordinary shares outstanding during the financial year, adjusted for the effects of all dilutive potential ordinary shares.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and less bank overdrafts if any.

(i) Revenue recognition

The consolidated entity recognises revenue as follows:

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

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

Sale of IP licence
Revenue from the sale of IP licence is recognised straight-lined over the 5-year term of the contractual obligations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES (Cont)

Revenue recognition (Cont)

Rendering of services
Revenue from a contract to provide services is generally recognised over time as the services are rendered based on either a fixed price or an hourly rate.

The provision of support for vehicles equipped with software is recognised over time as the services are rendered based on a fixed price.

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

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

(j) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial positions are shown inclusive of GST.

Cash flows are presented in the Statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(k) Provisions

Provisions are recognised when the consolidated entity has a legal or constructive obligation, as a result of past events for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(l) Lease liabilities

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

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

(m) Financial costs

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

(n) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Pursuant to acquisition of the Resource Connect Group of entities during the financial year 2018, the consolidated entity identified three operating segments - Transport Logistics, Resource Logistics and Healthcare Logistics and this report follows the same segment information.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Cont)

(o) Foreign Currency Transactions and Balances

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

Transactions and balances
Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is recognised in other comprehensive income; otherwise the exchange difference is recognised in profit or loss.

Group companies
The financial results and position of foreign operations, whose functional currency is different from the consolidated entity's presentation currency, are translated as follows:

- assets and liabilities are translated at exchange rates prevailing at the end of the reporting period;
- income and expenses are translated at average exchange rates for the period; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations with functional currencies other than Australian dollars are recognised in other comprehensive income and included in the foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.

(p) Fair value measurement

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

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

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Cont)

(q) Current and non-current classification

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

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

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

(r) Trade and other receivables

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

The consolidated entity has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(s) Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

(t) Trade and other payables

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

(u) Contract liabilities

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

(v) Issued capital

Ordinary shares are classified as equity.

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

(w) Employee benefits

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Cont)

Employee benefits (Cont)

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

Defined contribution superannuation expense
Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

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

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

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

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

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

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

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

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

(w) Discontinued operations

A discontinued operation is a component of the consolidated entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES (Cont)

(x) Non-current assets or disposal groups classified as held for sale

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

NOTE 2 : FINANCIAL RISK MANAGEMENT

The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on liquidity and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses different methods to measure different types of risks to which it is exposed. These methods include sensitivity analysis in the case of interest rate risks and ageing analysis for credit risk.

Risk management is carried out by senior management in consultation with the Board of Directors. See Note 28 for the consolidated entity's overall risk management program.

NOTE 3 : CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates

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

COVID-19 pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the consolidated entity unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 3 : CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Cont)

Goodwill and other indefinite life intangible assets
The consolidated entity tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in Note 1. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

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

Revenue from contracts with customers involving sale of goods
When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the consolidated entity is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

Employee benefit provision
As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Lease Term
The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the consolidated entity's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The consolidated entity reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate
Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the consolidated entity estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 4 : REVENUE

	Consolidated 2020 $	Restated 2019 $
From continuing operations		
Services*	1,271,764	1,184,454
Research & Development tax incentive	429,995	827,561
	1,701,759	**2,012,015**

Disaggregation of Revenue

**Major service lines*	2020 $	Restated 2019 $
Transport logistics	594,247	770,184
Healthcare logistics	541,428	261,559
Resource logistics	128,584	147,849
Other	7,505	4,862
Total	**1,271,764**	**1,184,454**

**Timing of revenue recognition for major service lines*		
Goods transferred at a point in time	210,986	127,183
Services transferred over time	1,060,778	1,057,271
Total	**1,271,764**	**1,184,454**

NOTE 5 : EXPENSES

	2020 $	2019 $
Profit before income tax from continuing operations includes the following specific expenses		
Superannuation expense	60,256	55,261
Expected credit losses expense	-	143,964
Short-term lease payments	67,499	79,124

NOTE 6 : INCOME TAX

No income tax is payable by the consolidated entity as it incurred losses for income tax purposes for the year. The consolidated entity also has available for recoupment income tax and capital losses at balance date.

	2020 $	Restated 2019 $
(a) Reconciliation		
The prima facie income tax benefit on the loss from ordinary activities is reconciled as follows:		
Loss from ordinary activities before income tax	**(6,873,873)**	**(535,683)**
Income tax benefit at 27.5%	**(1,890,315)**	**(147,314)**
Tax effect of amounts which are not deductible/(taxable)	**1,070,663**	**(226,938)**
Tax effect of temporary differences and tax losses not recognised	**819,652**	**374,252**
Income tax benefit	**-**	**-**
(b) Deferred Tax Assets not recognised:		
Accumulated tax losses	**16,756,878**	**14,866,563**
Capital losses not recognised	**1,093,920**	**1,093,920**

Carried forward tax losses have not been recognised because it is presently not considered probable that future taxable profits will be available against which the economic entity can utilise the benefits therein.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 7 : CASH AND CASH EQUIVALENTS

	2020	2019
	$	$
Cash at bank	1,371,549	1,325,148
	1,371,549	**1,325,148**

NOTE 8 : TRADE AND SUNDRY RECEIVABLES

	2020	2019
	$	$
Trade receivables	142,622	35,046
Sundry receivables	68,664	-
	211,286	**35,046**

Allowance for expected credit losses
The consolidated entity has recognised nil (2019: loss of $143,964) in profit or loss in respect of the expected credit losses due to the fact the receivables are short-term and the credit risk has not increased significantly.

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

	2020	2019
	$	$
Opening balance	-	2,462,843
Additional provisions recognised	-	20,726
Receivables written off during the year as uncollectable	-	(2,483,569)
Closing balance	-	-

(a) Foreign exchange and interest rate risk

Information about the consolidated entity's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in Note 28.

(b) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value.
The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above.

Refer to Note 28 for more information on the risk management policy of the consolidated entity and the credit quality of the consolidated entity's trade receivables.

NOTE 9 : OTHER CURRENT ASSETS

	2020	2019
	$	$
R&D Incentive Receivable	429,995	422,939
Prepayments	28,024	9,344
	458,019	**432,283**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 10 : DISCONTINUED OPERATIONS

(a) Description

The consolidated entity has classified its e-Commerce business operations in China as held for sale as the business is not in alignment with the consolidated entity's core business proposition.

(b) Financial performance information

	Consolidated	
	2020	**2019**
	$	**$**
Revenue-operations	-	7
Other Income	13	489,916
	13	489,924
Expenses		
Cost of goods sold	0	(282)
Employee benefits expense	(8,569)	(18,505)
Depreciation expense	(1,014)	(2,445)
Consultancy costs	(14,562)	(93,893)
ASIC, audit & tax	(6,252)	(18,327)
Rental & occupancy	(6,492)	(8,185)
Travelling & accommodation	(137)	(429)
Legal expenses	-	(30,236)
Impairment loss	(94,996)	-
Foreign currency gain/(loss)	-	(1,897)
Other expense	(2,569)	(59,692)
	(134,591)	(233,891)
Gain (loss) for the period	(134,578)	256,033
Income tax benefit / (expense)	-	-
Gain (Loss) from discontinued operations	**(134,578)**	**256,033**

(c) Cash Flow information

	2020	2019
	$	**$**
Net cash from / (used in) operating activities	(9,085)	(21,297)
Net cash from investing activities	-	-
Net cash from financing activities	-	-
Effect of foreign exchange	(39)	629
	(9,124)	**(20,668)**

(d) Assets of disposal groups classified as held for sale

Assets of the disposal group classified as held for sale comprises Inventories relating to the e-Commerce business, which was impaired to nil as at 30 June 2020.

(e) Liabilities directly associated with assets held for sale

The liabilities in relation to e-Commerce business is nil as at 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 11: CONTROLLED ENTITIES

	Place of Incorporation	Equity Holding 2020	Equity Holding 2019
Parent Entity:			
Orcoda Limited (formerly Smarttrans Holdings Ltd)	Australia		
Controlled Entities:			
Orcoda Transport Logistics Limited (formerly Smarttrans Limited)	Australia	100%	100%
SmartTrans Technology (Beijing) Ltd	People's Republic of China	100%	100%
Smartrans (HK) Ltd	Hong Kong	100%	100%
Digi 8 Limited	Hong Kong	100%	100%
Beijing SmartTrans Import and Export Trade Co. Ltd*	People's Republic of China	0%	0%
Resource Connect (North Qld) Pty Ltd	Australia	100%	100%
Resource Connect Holdings Pty Ltd	Australia	100%	100%
Resource Connect Logistics Pty Ltd	Australia	100%	100%
Orcoda Resource Logistics Pty Ltd (formerly Resource Connect Pty Ltd)	Australia	100%	100%
Orcoda Healthcare Logistic Pty Ltd (formerly Icuro Pty Ltd)	Australia	100%	100%

*Orcoda Limited has control over Beijing SmartTrans Import and Export Trade Co. Ltd as the company has the ability to affect any returns through its power to direct the activities of Beijing SmartTrans Import and Export Trade Co. Ltd.

NOTE 12: BUSINESS COMBINATIONS

There was no business combinations during the current financial year.

NOTE 13 : PLANT AND EQUIPMENT

	2020 $	2019 $
Plant and equipment		
Cost	149,050	105,657
Accumulated depreciation	(115,702)	(89,859)
Total plant and equipment	**33,348**	**15,798**
Reconciliations		
Balance at the beginning of the year	15,798	26,591
Additions	38,356	-
Disposals	-	(4,721)
Depreciation	(20,806)	(6,072)
Carrying amount at the end of year	**33,348**	**15,798**

NOTE 14 : RIGHT-OF-USE ASSETS

	2020 $	2019 $
Cost (vehicle leases)	663,183	-
Cost (property leases)	111,354	-
Accumulated depreciation	(99,546)	-
Total right-of-use assets	**674,991**	**-**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 15 : INTANGIBLE ASSET	2020 $	2019 $
Software at Cost	155,650	155,750
Less :Accumulated amortisation	(155,650)	(101,172)
Total Software	**-**	**54,578**
Goodwill	11,031,345	11,031,345
Less: impairment	(4,323,315)	-
Total Goodwill	**6,708,030**	**11,031,345**

	2020 $	2019 $
Intangible Asset		
Balance at the beginning of the year	11,085,923	11,101,946
Disposals	(100)	-
Amortisation	(54,477)	-
Impairment	(4,323,315)	(16,023)
Carrying amount at the end of year	**6,708,030**	**11,085,923**

Impairment Testing

The above goodwill arose from the acquisition of Resource Connect Holdings Pty Ltd and Icuro Pty Ltd on 7 March 2018. During the current financial year, management has evaluated its reporting structure and determined that the operations of Healthcare and Resources sectors generate cash inflows that are largely independent of each other and therefore are classified as two separate cash-generating units (CGU) in accordance with definition of CGU in Note 1. Goodwill on acquisition has therefore been allocated across Resource and Healthcare CGUs based on the relative values of each CGU.

	Healthcare $	Resource $	Total $
Goodwill			
Balance at the beginning of the year	3,971,284	7,060,061	11,031,345
Impairment	(1,572,592)	(2,750,723)	(4,323,315)
Carrying amount at the end of the year	**2,398,692**	**4,309,338**	**6,708,029**

The recoverable amount of the goodwill has been determined by a value-in-use calculation using a discounted cash flow model for 5 years with a forecast terminal valuation.

Key assumptions are those to which the recoverable amount of the CGU is most sensitive.

The following key assumptions were used in the discounted cash flow model of the CGU to which goodwill has been allocated:

(a) Healthcare CGU

- Discount rate: 40%;
- Revenue forecasts for FY2021 and FY2022 are based on management's estimate of new contracts to be secured during these years;
- Revenue forecasts for period from FY2022 to FY2025 are based on an estimated compound annual growth rate of 13%, which reflects growth from a low base as at 30 June 2020; and
- Operating costs and overheads can be managed at minimal levels due to the nature of the Group's principal activities which are software-based.

(b) Resource CGU

- Discount rate: 20%;
- Revenue forecasts for FY2021 and FY2022 are based on management's estimate of new contracts to be secured during these years;
- Revenue forecasts for period from FY2022 to FY2025 are based on an estimated compound annual growth rate of 30%, which reflects growth from a low base as at 30 June 2020; and
- Operating costs and overheads can be managed at minimal levels due to the nature of the Group's principal activities which are software-based.

Based on the above, total impairment of $4,323,315 was noted at 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 15 : INTANGIBLE ASSET (Cont)

Sensitivity
As disclosed in note 3, the directors have made judgements and estimates in respect of key assumptions used in the impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease.

As revenue represents the key assumption used in the impairment testing, Healthcare CGU's revenue would need to decrease on an annual basis over the projection period by more than 5% and Resource CGU's revenue by more than 5% before goodwill would need to be impaired, with all other assumptions remaining constant.

NOTE 16 : TRADE AND OTHER PAYABLES	2020 $	2019 $
Trade creditors	231,436	407,622
Other payables	124,238	35,678
	355,674	**443,300**

NOTE 17: PROVISIONS	2020 $	2019 $
Employee benefits – annual leave	14,094	67,637
Employee benefits – long service leave	5,875	84,382
	19,969	**152,019**
Balance at the beginning of the year	152,019	172,400
Additional provisions	-	55,261
Amount used	(132,050)	(75,642)
Balance at end of the year	**19,969**	**152,019**

NOTE 18: LEASE LIABILITY	2020 $	2019 $
Current lease liability - vehicles	117,189	-
Current lease liability - property	54,180	-
Total current lease liability	**171,369**	**-**
Non-current lease liability within 2 years - vehicles	128,174	-
Non-current lease liability within 2 years - property	48,443	-
Non-current lease liability beyond two years up to five years - vehicles	343,453	-
Non-current lease liability beyond two years up to five years - property	-	-
Total non-current lease liability	**520,070**	**-**

NOTE 19: PREPAID LICENCING INCOME LIABILITY	2020 $	2019 restated $
Amounts expected to be recognised as licencing income		
Prepaid licencing income within 1 year	270,000	80,000
Prepaid licencing income within 2 years	270,000	80,000
Prepaid licencing income beyond 2 years but up to 5 years	624,412	232,747
Total prepaid licencing income liability	**1,164,412**	**392,747**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 20: ISSUED CAPITAL	2020	2019
	$	$
Ordinary shares issued and fully paid	**95,356,131**	**93,230,631**

	2020	2019
Ordinary Shares	**Number**	**Number**
At beginning of the year	101,976,032	87,560,929
Shares issued total during the financial year	14,062,500	14,415,103
At end of year	**116,038,532**	**101,976,032**

Ordinary Shares issued during the year

Issue date	Price per share ($)	Number of shares
2 September 2019	0.16	6,562,500
5 March 2020	0.16	7,500,000
		14,062,500

Ordinary Shares issued during 2019

Issue date	Price per share ($)	Number of shares (after consolidation)
9 August 2018	0.006	108,143
9 August 2018	0.004	1,805,862
17 August 2018*	-	1,098
1 April 2019	0.08	12,500,000
* Rounding up of share after consolidation		14,415,103

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on show of hands.

Capital Management

Management controls the capital of the consolidated entity, provide the shareholders with adequate returns and ensure that the consolidated entity can fund its operations and continue as a going concern.

There are no externally imposed capital requirements.

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

There have been no changes in the strategy adopted by management to control the capital of the consolidated entity since the prior year. The consolidated entity's gearing ratio is kept at a minimum. There is no intention to incur debt funding on behalf of the consolidated entity. Ongoing operations will be funded via equity or joint ventures with other companies

NOTE 21 : KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

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

	2020	2019
	$	$
Short-term employee benefits	408,535	832,798
Post-employment benefits	-	-
Share-based payments	217,500	-
Termination benefits	-	-
	626,035	**832,798**

NOTE 22 : REMUNERATION OF AUDITORS

	2020	2019
Remuneration of the auditor of the parent entity for:	$	$
Audit and half-year review of the financial statements	101,402	78,500
Other services	3,320	-
	104,722	78,500

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 23 : RELATED PARTY INFORMATION

(a) Parent entity

Orcoda Limited is the parent entity.

(b) Subsidiaries

Interests in subsidiaries are set out in note 11.

NOTE 23 : RELATED PARTY INFORMATION (Cont)

(c) Key management personnel

Disclosures relating to key management personnel are set out in note 21 and the remuneration report in the Directors' report.

(d) Payables to related parties

	2020 $	2019 $
Payable to Sino-Oz Ltd (director related entity of Brendan Mason)	5,000	87,356
Payable to Tamlin Holdings Pty Ltd (director related entity of Geoffrey Jamieson)	14,896	22,916
Payable to Corporate Development Mentors Pty Ltd (subsidiary director related entity of Warren Preston)	6,875	48,125
Payable to Garrison Group Trading Trust (past director related entity of Scott Mclntosh)	-	21,790
Payable to Harkiss Minerals Discovery (director related entity of Nicholas Johansen)	2,083	4,166
Payable to SGA Services Pty Ltd (subsidiary director related entity of Simon Anthonisz)	11,928	45,138
Payable to Hardman Services Pty Ltd (subsidiary director related entity of Sean Hardman)	5,540	48,125
Payable to GJK Company Pty Ltd (related entity of Greg Khan, KMP)	9,167	-
	55,489	**277,616**

(e) Receivables from related parties

There was no receivables from related parties as at 30 June 2020 (2019: nil).

(f) Transactions with related parties

Sales of goods and services during the period (exclusive of GST):

	2020 $	2019 $
Sale of licenses to Tamlin Holdings Pty Ltd (director related entity of Geoffrey Jamieson) & Hilda Jamieson	150,000	100,000
Sale of licenses to Pronk Holdings Pty Ltd (director related entity of Stephen Pronk)	450,000	200,000
Sale of license to Harkiss Mineral Discovery Pty Ltd (director related entity of Nicholas Johansen)	50,000	-
Sale of license to GJK Company Pty Ltd (related entity of Greg Khan, KMP)	100,000	-
	750,000	**300,000**

Besides the licenses disclosed above (which entitles the licensee to operate a vehicle rental business), where the licensee has purchased a new vehicle for $58k, the vehicle is rented to Orcoda Healthcare Logistics Pty Ltd to operate its aged and disability community transport business and therefore the Licensee receives a rental income and revenue share for a gross payment of $1,875 per month (under the license agreement the licensee is required to pay to Orcoda Healthcare Logistics Pty Ltd a software license fee of $200 per month and a management fee of $167 per month) resulting in net payment of $1,508 per month per vehicle growing at approximately 5% per annum.

The above transactions were the same as what was being offered to members of the public and each was approved by the Independent Directors with the Director associated with each resolution not being in the meeting when the resolution was voted on.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 23 : RELATED PARTY INFORMATION (Cont)

Goods and services received during the period (exclusive of GST):

	2020 $	2019 $
Consultancy services from Sino-Oz Ltd (director related entity of Brendan Mason)	26,250	241,173
Consultancy services from Tamlin Holdings Pty Ltd (director related entity of Geoffrey Jamieson)	259,375	250,000
Capital Raising fee to Tamlin Holdings Pty Ltd (director related entity of Geoffrey Jamieson)	26,250	50,000
Consultancy services from Corporate Development Mentors Pty Ltd (subsidiary director related entity of Warren Preston)	131,250	150,000
Consultancy services from Garrison Group Trading Trust (past director related entity of Scott Mclntosh)	9,883	87,500
Consultancy services from Harkiss Minerals Discovery (director related entity of Nicholas Johansen)	43,752	50,000
Consultancy services from Pronk Holdings Pty Ltd (director related entity of Stephen Pronk)	7,500	-
Capital Raising fee to Pronk Holdings Pty Ltd (director related entity of Stephen Pronk)	26,250	-
Consultancy services from SGA Services Pty Ltd (subsidiary director related entity to Simon Anthonisz)	131,250	150,000
Consultancy services from Hardman Services Pty Ltd (subsidiary director related entity to Sean Hardman)	127,500	150,000
Consultancy services from GJK Company Pty Ltd (related entity to Greg Khan)	71,658	-
Commission fees to GJK Company Pty Ltd (related entity to Greg Khan)	93,200	-
	954,118	**1,128,673**

NOTE 24 : EARNINGS PER SHARE

	Consolidated	
	2020	**Restated 2019**
	cents	**cents**
Earnings (loss) per share (basic and diluted) from continuing operations	(6.14)	(0.86)
Earnings (loss) per share (basic and diluted) from discontinued operations	(0.12)	0.28
Earnings (loss) per share (basic and diluted) for loss attributable to owners of Orcoda Limited	(6.26)	(0.58)

NOTE 25 : SEGMENT INFORMATION

The results of segments that are significant to an understanding of the business as a whole.

(a) Description of segments

The consolidated entity has identified its operating segments based on internal reports (see Note 1.n).

The consolidated entity identified three operating segments - Transport Logistics, Resource Logistics and Healthcare Logistics. E-commerce segment refers to the former business operation in China, which has been ceased, hence there were no revenues in the for the current period for that segment.

(b) Segment information

The below segment summary shows operating results (including R&D incentive income) and assets and liabilities by segments:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 25 : SEGMENT INFORMATION (Cont)

For the year ended 30 June 2020	Consolidated				
	Transport logistics	**Resource logistics**	**Healthcare logistics**	**E-commerce**	**Total**
	$	**$**	**$**	**$**	**$**
Segment revenues	965,007	166,318	702,644	-	1,833,969
Segment profit / (loss)	(360,054)	(142,195)	(788,436)	(134,578)	(1,425,263)

For the year ended 30 June 2019	Consolidated				
	Transport logistics	**Resource logistics**	**Healthcare logistics**	**E-commerce**	**Total**
	$	**$**	**$**	**$**	**$**
Restated Segment revenues	1,218,941	147,849	640,363	-	2,007,153
Restated Segment profit / (loss)	106,617	(42,757)	(11,759)	256,032	308,133

Reconciliation of reportable segment revenue to consolidated revenue

	2020	**Restated 2019**
	$	**$**
Total segment revenue	1,833,969	2,007,153
Interest and other income	504	520,076
Total revenue	**1,834,473**	**2,527,229**
Disclosed as:		
Revenue from continuing operations	1,834,460	2,037,305
Revenue from discontinued operations (see Note 10)	13	489,924
Total revenue	1,834,473	2,527,229

Reconciliation of reportable segment loss to consolidated loss

	2020	**Restated 2019**
	$	**$**
Total gain (loss) for reportable segments	(1,425,263)	308,133
Corporate costs	(5,448,610)	(843,816)
Loss before/after income tax	**(6,873,873)**	**(535,683)**
Disclosed as:		
Loss from continuing operations	(6,739,295)	(791,716)
Gain (loss) from discontinued operations (see Note 10)	(134,578)	256,033
Loss before/after income tax for the year	(6,873,873)	(535,683)

	Consolidated				
	Transport logistics	**Resource logistics**	**Healthcare logistics**	**E-commerce**	**Total**
	$	**$**	**$**	**$**	**$**
Segment assets					
30 June 2020	343,685	132,717	944,623	4,177	1,425,202
30 June 2019	595,290	119,847	415,408	100,690	1,231,235
Segment liabilities					
30 June 2020	145,604	113,128	1,790,904	(4,441)	2,045,195
30 June 2019 (restated)	202,747	63,963	430,826	-	697,536

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 25 : SEGMENT INFORMATION (Cont)

Reconciliation of reportable segment assets to consolidated assets

	2020	2019
	$	$
Reportable segment assets	1,425,202	1,231,235
Unallocated Assets	8,191,021	11,749,311
Total Assets	**9,616,223**	**12,980,546**

Reconciliation of reportable segment liabilities to consolidated liabilities

	2020	Restated 2019
	$	$
Reportable segment liabilities	2,045,195	697,536
Unallocated Liabilities	186,300	290,530
Total Liabilities	**2,231,495**	**988,066**

NOTE 26 : COMMITMENTS AND CONTINGENT LIABILITIES

(a) Capital Expenditure

There are no capital expenditure commitments as at 30 June 2020 (2019: nil).

(b) Contingent Liabilities and Contingent Assets

The Company and its controlled entities have no known material contingent assets as at 30 June 2020 (2019: nil).

The consolidated entity has $144,280 (exclusive of GST) contingent liabilities as a part its contract with Mt Buller and Mt Stirling Management Board. This amount is contingent on the Company generating future revenue (2019: nil).

NOTE 27 : NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of net cash used in operating activities to net loss

	Consolidated 2020	Restated 2019
	$	$
Operating profit (loss) after income tax	(6,873,873)	(535,683)
Adjustments for		
Depreciation and amortisation	174,811	22,096
Write off of accrual	(35,090)	(488,502)
Equity based payment	217,500	266,422
Foreign exchange differences	(76,346)	22,636
Doubtful debt written off	(37,359)	143,964
Impairment loss	4,418,311	-
Adjustment for R&D	(14,789)	-
Change in operating assets and liabilities		
(Increase)/decrease in trade and other receivables	(176,240)	297,326
(Increase)/decrease in inventories	86,348	84,063
(Decrease)/increase in trade creditors	(87,626)	(1,509,330)
(Increase)/decrease in prepayments	(25,735)	(405,957)
(Decrease)/increase in provisions and prepaid licensing income	639,615	372,367
Net cash inflow (outflow) from operating activities	**(1,790,473)**	**(1,730,598)**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 28 : FINANCIAL INSTRUMENTS

The consolidated entity classified a term deposit of $159,000 at a commercial bank as current other financial asset. It serves as a security for the contingent liability disclosed in Note 26.b.

Market risk

(a) Foreign currency risk

The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The consolidated entity's exposure to foreign currency risk relates primarily to the Chinese Renminbi.

The risk is measured using sensitivity analysis and cash flow forecasting.

For the current financial year, the consolidated entity has no material exposure to foreign currency risk due to its China operations that are now discontinued and held for sale.

(b) Price risk

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

(c) Interest rate risk

The consolidated entity's exposure to market risk for changes in interest rates relates primarily to interest on deposits with banking institutions.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balance are monitored on an ongoing basis with the result that consolidated entity's exposure to debt is minimal. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

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

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

Liquidity risk

The consolidated entity's has appropriate procedures in place to manage cash flows including continuing monitoring of forecast and actual cash flows to ensure funds are available to meet commitments.
There are no unused borrowing facilities at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 28 : FINANCIAL INSTRUMENTS (Cont)

The following table details the consolidated entity's financial instrument composition and maturity analysis:

	Weighted average effective interest rate	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Total $
2020						
Financial assets						
Interest bearing						
Cash at bank	0.01%	1,371,549	-	-	-	1,371,549
Term Deposits	0.93%	159,000	-	-	-	159,000
Non-interest bearing						
Receivables	-%	211,286	-	-	-	211,286
Other receivables (R&D tax incentive)	-%	429,995	-	-	-	429,995
		2,171,830	**-**	**-**	**-**	**2,171,830**
Financial liabilities						
Interest bearing						
Lease liability	6.45%	171,369	176,617	343,453	-	691,439
Non-interest bearing						
Payables	-%	355,674	-	-	-	355,674
		527,043	**176,617**	**343,453**	**-**	**1,047,113**
Net financial liabilities		**(1,644,787)**	**176,617**	**343,453**	**-**	**(1,124,717)**
2019						
Financial assets						
Interest bearing						
Cash at bank	0.01%	1,325,148	-	-	-	1,325,148
Non-interest bearing						
Receivables	-%	35,046	-	-	-	35,046
Other receivables (R&D tax incentive)	-%	422,939	-	-	-	422,939
		1,783,133	-	-	-	1,783,133
Financial liabilities						
Non-interest bearing						
Payables	-%	443,300	-	-	-	443,300
		443,300	-	-	-	443,300
Net financial liabilities		**(1,339,833)**	**-**	**-**	**-**	**(1,339,833)**

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

NOTE 29 : EVENTS AFTER REPORTING PERIOD

The Victorian State Government through Mt Buller & Mt Stirling Management Board entered into an exceptional circumstances agreement with Resource Connect Logistics Pty Ltd, a wholly owned subsidiary of Orcoda Limited to compensate Orcoda for the cancellation of the Snow Season as a result of COVID-19. This agreement was for the gross sum of $654,000. After various adjustments including satisfying conditions precedent relating to existing arrangements, Orcoda is expected to receive an amount of $292,329.

The impact of the Coronavirus (COVID-19) pandemic is ongoing and it had an impact on operations which caused a reduction in revenue across operations during the current financial year. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided, therefore it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 30 : PARENT ENTITY STATEMENT OF FINANCIAL POSITION

	Company	
	2020	2019
	$	$
Total Current Assets	1,376,866	801,297
Total Non-Current Assets	10,327,528	14,156,659
TOTAL ASSETS	**11,704,394**	**14,957,956**
Total Current Liabilities	140,676	343,620
Total Non-Current Liabilities	48,443	-
TOTAL LIABILITIES	**189,119**	**343,620**
NET ASSETS	**11,515,275**	**14,614,336**
Equity		
Issued capital	95,356,132	93,230,632
Reserves	546,755	1,994,869
Accumulated losses	(84,387,612)	(80,611,165)
TOTAL EQUITY	**11,515,275**	**14,614,336**
Loss for the year	**(3,776,447)**	**(913,171)**
Other comprehensive income/(loss) for the year	-	-
Total comprehensive loss for the year	**(3,776,447)**	**(913,171)**

The parent entity had no capital commitments and no contingent liabilities as at 30 June 2020 (2019: nil).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2020

NOTE 31 : SHARE BASED PAYMENTS

(i) During the year, the Company issued no shares to directors in lieu of previous year's director fees.

(ii) During the year, the Company granted no options to external parties for services received in relation to capital raising activities.

(iii) A summary of company options issued is set out below:

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired / forfeited	Balance at the end of the year
28/08/2017	28/08/2019	$0.075	816,667	-	-	816,667	-
28/08/2017	28/08/2019	$1.125	816,667	-	-	816,667	-
7/03/2018	7/03/2021	$0.5625	2,000,000	-	-	-	2,000,000
5/06/2018	5/03/2021	$0.5625	200,000	-	-	-	200,000
27/9/2019	27/9/2022	$0.5	-	100,000	-	-	100,000
17/01/2020	17/01/2023	$0.5	-	12,000,000	-	-	12,000,000
			3,833,334	12,100,000	-	1,633,334	14,300,000
Weighted average exercise price			$0.72	-	-	-	$0.51

The weighted average remaining contractual life of options outstanding at year-end was 27.1 months.

(iv) A summary of company options issued is set out below:

For the options granted during the current financial year, the valuation model inputs used to determine the fair value as at 30 June 2020 are as follows:

Grant date	Expiry date	Exercise price	Expected annualized volatility	Risk-free interest rate	Time to maturity (years)	Fair value
27/9/2019	27/9/2022	$0.5	80%	0.8%	2.25	$0.015
17/01/2020	17/01/2023	$0.5	80%	0.8%	2.56	$0.018

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INDEPENDENT AUDITOR'S REPORT
To the Members of Orcoda Limited

Qualified Opinion

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

In our opinion, except for the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial report of the consolidated entity is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity 's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Qualified Opinion

The consolidated entity's intangible assets are carried in the statement of financial position at $6,708,030. We were unable to obtain sufficient appropriate audit evidence to support the assumptions within the forecasts used to support the carrying value of the intangible assets. Consequently, we were unable to determine whether any adjustments to the carrying amount of intangible assets were necessary as at 30 June 2020.

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

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicated that the consolidated entity incurred a loss of $6,873,873 and had net cash outflows from operating activities of $1,790,473 for the year ended 30 June 2020. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cause significant doubt on the consolidated entity's ability to continue as a going concern. Our opinion is not further 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. In addition to the matter described in the *Basis for Qualified Opinion* and Material Uncertainty Related to Going Concern sections, 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 this matter
Revenue recognition Refer to Note 4 in the financial statements	
Revenue from operations for the year ended 30 June 2020 was $1.7 million. Revenue recognition in relation to prepaid license revenue stream was considered a key audit matter, as it is complex and involves significant management judgement and estimates around the method of recognition of revenue (over time or at a point in time). Management has assessed that the application of AASB 15 *Revenue from Contracts with Customers* (AASB 15) resulted in a deferral of prepaid license revenue over a period of 5 years.	Our audit procedures in relation to the recognition of revenue related to prepaid licenses included: • Obtaining a detailed understanding of the nature and substance of the prepaid licenses sold during the year; • Assessing whether the revenue recognition policy applied was in compliance with AASB 15; • Performing test of detail on licenses sold during the financial year to underlying agreements and bank receipts; • Assessing whether revenue and prepaid licensing income liability has been recorded in the appropriate period; and • Assessing the appropriateness of the disclosures in the financial report.

Other Information

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

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

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

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the consolidated entity 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 consolidated entity 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: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf
This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

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

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

Responsibilities

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

RSM

RSM AUSTRLIA PARTNERS

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R B MIANO
Partner

Dated: 30 September 2020
Melbourne, Victoria

SHAREHOLDER INFORMATION

Additional information required under ASX Listing Rule 4.10 and not shown elsewhere in this Annual Report is as follows. This information is current as at 14 September 2020.

(a) Substantial Shareholders

The names of the Substantial Shareholders listed in the Company's Register as at 14 September 2020

Shareholder	No. of Shares
HSBC Custody Nominees (Australia) Limited – A/C	10,197,926
CS Third Nominees Pty Limited	9,460,001
Halcyon United Pty Ltd <Mcintosh Family No 1 A/C >	8,764,104
Hardman FIFO Pty Ltd <Hardman FIFO A/C >	8,764,104
Tamlin Superannuation Fund	8,764,104
Janegold Pty Ltd <CICO A/C >	8,089,104
Pronk Holdings	6,625,000

This table discloses Relevant Interests in shares as defined by the Corporations Act and does not reflect beneficial interests in shares.

(b) Twenty Largest Shareholders

The names of the twenty largest shareholders fully paid shares in the Company at 14 September 2020:

		No. of Ordinary Fully Paid Shares Held	Percentage Held Issued Ordinary Capital
1.	HSBC Custody Nominees (Australia) Limited – A/C	10,197,926	8.79
2.	CS Third Nominees Pty Limited	9,460,001	8.15
3.	Halcyon United Pty Ltd <Mcintosh Family No 1 A/C >	8,764,104	7.55
4.	Hardman FIFO Pty Ltd <Hardman FIFO A/C >	8,764,104	7.55
5.	Tamlin Superannuation Fund	8,764,104	7.55
6.	Janegold Pty Ltd <CICO A/C >	8,089,104	6.97
7.	Pronk Holdings	6,625,000	5.71
8.	Dymock Securities Pty Ltd	5,432,714	4.68
9.	JP Morgan Nominees Australia Pty Ltd	4,270,360	3.68
10.	MCCB Investments Pty Ltd <CMW 2 A/C>	2,840,471	2.45
11.	Blamnco Trading Pty Ltd	2,673,049	2.30
12.	Bid Pty Ltd <BF A/C>	2,500,000	2.15
13.	Sino Oz Limited	1,429,247	1.23
14.	Mardon Super Pty Ltd	1,259,000	1.08
15.	Ben Edwards Read	1,250,000	1.08
16.	Jaroma Qld Pty Ltd	1,250,000	1.08
17.	Mrs Louise Anne Read	1,250,000	1.08
18.	Tulip Super Pty Ltd <Tulip Super Fund>	1,250,000	1.08
19.	Merril Lynch (Australia) Nominees Pty Ltd	1,170,000	1.01
20.	UBS Nominees Pty Ltd	1,160,000	1.00
		88,399,184	76.17%

SHAREHOLDER INFORMATION (Cont.)

(c) Distribution of Shareholders

(i) Ordinary Shareholders

Spread of Holding	Holders	Shares Held	% of Issued Capital
1 - 1,000	1,020	401,887	0.35
1,001 - 5,000	629	1,448,047	1.25
5,001 - 10,000	179	1,255,704	1.08
10,001 - 100,000	271	7,321,168	6.31
100,001 and over	72	105,611,726	91.01
	2,171	116,038,532	100.00

(d) Less than marketable parcels of ordinary shares
There are 1,544 shareholders with unmarketable parcels totalling 1,409,725 shares.

(e) Options over Unissued Shares
A total of 14,300,000 unlisted options are on issue as at 14 September 2020.

(f) Restricted Securities
The Company had no restricted securities on issue as at 14 September 2020 .

(g) Voting Rights
In accordance with the Constitution each member present at a meeting whether in person, or by proxy, or by power of attorney, or in a duly authorised representative in the case of a corporate member, shall have one vote on a show of hands, and one vote for each fully paid ordinary share, on a poll. Option holders have no voting rights.

(h) On-Market Buy-Backs
There is no current on-market buy-back in relation to the Company's securities.

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