



2019 Preliminary Final Report and Appendix 4E

For the financial year ended 30 June 2019

1. Company Details

Name of entity:	Jaxsta Limited (ASX: JXT)
ABN:	15 106 513 580
Reporting period:	For the year ended 30 June 2019
Previous period:	For the year ended 30 June 2018

2. Results for announcement to the market

During the reporting period, Mobilarm Limited (now renamed Jaxsta Limited) ('the legal parent' or 'Jaxsta') acquired Jaxsta Holdings Pty Ltd ('the legal subsidiary' or 'Jaxsta Holdings'). The acquisition has been accounted for as a share-based payment and the principles of reverse acquisition have been applied.

As a result of the acquisition, the comparative information represents the results for Jaxsta Holdings only. The current period represents the results of:

- the consolidated entity comprising Jaxsta Holdings for the entire year; and
- Jaxsta from 28 December 2018 to 30 June 2019.

		30 June 2019	30 June 2018 (previous corresponding period)
	Movement	A\$'000	A\$'000
Revenue from ordinary activities	0%	0	0
Loss from ordinary activities after tax attributable to members	down 487%	(19,261)	(3,284)
		A\$	A\$
Net loss for the period attributable to members	down 487%	(19,261)	(3,284)

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Comments

The loss includes listing expenses of \$14,227,655 (30 June 2018: \$nil) of which \$13,875,930 is a deemed non-cash, non-recurring component resulting from the application of reverse acquisition accounting pursuant to AASB 3 Business Combinations. This expense is effectively the difference between the net assets of Jaxsta Holdings Pty Ltd at 28 December 2018 and the value of the shares issued in Jaxsta Limited (formerly Mobilarm Limited) to the Jaxsta Holdings Pty Ltd shareholders.

Additional disclosure can be found in the notes to the financial statements and the Directors' Report for the year period ended 30 June 2019. Information should be read in conjunction with Mobilarm Limited's 2018 Annual Report and the attached financial statements.

Dividends

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

3. Net Tangible Assets

	30 June 2019 (cents)	30 June 2018 (cents)
Net tangible assets per ordinary security	2.82	(5.61)

The net tangible assets per ordinary security is calculated based on 231,326,901 ordinary shares on issue as at 30 June 2019 and 44,812,106 ordinary shares that would have been in existence had the acquisition/group reorganisation occurred as at 30 June 2018.

4. Control gained over entities

On 28 December 2018 Mobilarm Limited (now renamed Jaxsta) acquired Jaxsta Holdings and Jaxsta was officially readmitted to the official list of ASX on 28 December 2018. For accounting purposes, the acquisition has been accounted for as a share-based payment and the principles of reverse acquisition have been applied, as noted in section 2 above.

5. Dividends

Current period

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

Previous period

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

6. Audit qualification review

Details of audit/review dispute or qualification

The consolidated financial statements are in the process of being audited by Walker Wayland Audit (WA) Pty Limited and an unmodified audit opinion is expected to be issued with a 'Material Uncertainty Regarding Going Concern' paragraph.

7. Attachments

Details of attachments

The Preliminary Final Report of Jaxsta Limited for the year ended 30 June 2019 is attached.

8. Signed



Jacqueline Louez Schoorl
Executive Director
30 August 2019
Sydney, New South Wales

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Jaxsta Limited

(formerly known as Mobilarm Limited)

ABN 15 106 513 580

Preliminary Financial Report

For the financial year ended 30 June 2019

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		30 June 2019 \$	30 June 2018 \$
Revenue from continuing operations			
Interest income		3,649	363
Other Revenue			
Research and development rebate	4	665,657	583,622
Other revenue	4	35,657	-
Total Revenue		704,963	583,985
Expenses			
Employee benefits expense	5	(2,736,521)	(1,805,132)
Marketing expenses		(498,605)	(290,960)
Occupancy expenses		(145,536)	(161,117)
Professional fees		(793,060)	(590,847)
Product development expense		(757,230)	(234,707)
Depreciation and amortisation expense		(42,993)	(343,674)
Finance costs		(18,887)	(10,282)
Other expenses	5	(745,061)	(430,795)
Listing expenses	5	(14,227,655)	-
Total Expenses		(19,965,548)	(3,867,514)
Loss before income tax		(19,260,585)	(3,283,529)
Income tax expense		-	-
Loss after income tax expense for the year attributable to the owners of Jaxsta Limited		(19,260,585)	(3,283,529)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Jaxsta Limited		(19,260,585)	(3,283,529)
Earnings per share			
Basic earnings per share (cents)	10	(0.14)	(0.07)
Diluted earnings per share (cents)	10	(0.14)	(0.07)

		30 June 2019 \$	30 June 2018 \$
CURRENT ASSETS			
Cash and cash equivalents	11	2,452,760	46,299
Trade and other receivables	12	705,248	752,131
Other assets	15	187,402	60,963
TOTAL CURRENT ASSETS		<u>3,345,410</u>	<u>859,393</u>
NON-CURRENT ASSETS			
Trade and other receivables	12	4,000,000	-
Property, plant and equipment	13	42,019	40,148
Intangible assets	14	4,393,845	4,389,459
TOTAL NON-CURRENT ASSETS		<u>8,435,864</u>	<u>4,429,607</u>
TOTAL ASSETS		<u>11,781,274</u>	<u>5,289,000</u>
CURRENT LIABILITIES			
Trade and other payables	16	599,692	706,796
Loans and borrowings	17	26,597	2,622,437
Provisions	18	159,389	84,790
TOTAL CURRENT LIABILITIES		<u>785,678</u>	<u>3,414,023</u>
NON-CURRENT LIABILITIES			
Provisions	18	88,902	-
TOTAL NON-CURRENT LIABILITIES		<u>88,902</u>	<u>-</u>
TOTAL LIABILITIES		<u>874,580</u>	<u>3,414,023</u>
NET ASSETS		<u>10,906,694</u>	<u>1,874,977</u>
EQUITY			
Contributed equity	19	35,670,064	7,974,578
Accumulated losses		(25,360,186)	(6,099,601)
Reserves	21	596,816	-
TOTAL EQUITY		<u>10,906,694</u>	<u>1,874,977</u>

The accompanying notes should be read in conjunction with these consolidated financial statements.

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total equity \$
As at 1 July 2017	5,499,602	-	(2,816,072)	2,683,530
Loss after income tax expense for the year	-	-	(3,283,529)	(3,283,529)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(3,283,529)	(3,283,529)
Transactions with owners in their capacity as owners				
Shares issued during the period	2,474,976	-	-	2,474,976
Balance at 30 June 2018	<u>7,974,578</u>	<u>-</u>	<u>(6,099,601)</u>	<u>1,874,977</u>
Refer to note 2 for explanation on comparatives				
As at 1 July 2018	7,974,578	-	(6,099,601)	1,874,977
Loss after income tax expense for the year			(19,260,585)	(19,260,585)
Other comprehensive income for the year, net of tax			-	-
Total comprehensive income for the year			(19,260,585)	(19,260,585)
Transactions with owners in their capacity as owners				
Contributions of equity, net of transaction cost (note 19)	27,695,486	-	-	27,695,486
Share-based payment (note 21)	-	596,816	-	596,816
Balance at 30 June 2019	<u>35,670,064</u>	<u>596,816</u>	<u>(25,360,186)</u>	<u>10,906,694</u>

	30 June 2019 \$	30 June 2018 \$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from grants - research & development	696,745	603,285
Payments to suppliers and employees	(6,891,396)	(3,385,292)
Interest received	3,649	363
Interest costs	(11,537)	(10,282)
Net cash flows (used in) operating activities	<u>(6,202,539)</u>	<u>(2,791,926)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(15,297)	(23,341)
Payment for intangibles	(75,157)	-
Cash acquired from acquisition of subsidiary	5,332,655	-
Net cash flows provided by/(used in) investing activities	<u>5,242,201</u>	<u>(23,341)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of shares	4,471,645	2,474,976
Share issue transaction costs	(604,731)	-
Proceeds from borrowings	77,057	1,127,592
Advances to related parties	-	(750,000)
Repayment of borrowings	(54,451)	-
Proceeds from borrowings - related parties	465,654	-
Loan repayments made to related parties	(988,374)	-
Net cash flows provided by financing activities	<u>3,366,800</u>	<u>2,852,568</u>
Net increase in cash held	2,406,462	37,301
Cash at beginning of financial year	46,299	8,998
Cash at the end of the period	<u><u>2,452,761</u></u>	<u><u>46,299</u></u>

Note 1. General information

The financial statements contained on pages 28 to 31 of this Report cover Jaxsta Limited ('Jaxsta', 'company' or 'parent') as a consolidated entity consisting of Jaxsta Limited and the entities it controlled at the end of, or during, the financial year ('consolidated entity' or 'the Group') ended 30 June 2019 (the 'Financial Statements'). The Financial Statements are presented in Australian dollars, which is Jaxsta presentation currency. The functional currency of Jaxsta Holdings Pty Ltd is Australian dollars and Jaxsta is Australian dollars.

Jaxsta is a listed public company limited by shares, incorporated and domiciled in Australia.

A description of the nature of the Group's operations and its principal activities are included in the Directors' Report (pages 9 to 26 of this Report). The Directors' Report is not part of the Financial Statements.

The Financial Statements were authorised for issue, in accordance with a resolution of Directors, on 30 August 2019. The Directors have the power to amend and reissue the Financial Statements.

Note 2. Significant accounting policies and basis of preparation

The Financial Statements are general purpose, consolidated financial statements which have been prepared in accordance with the Corporations Act, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of the Financial Statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the Financial Statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The principal accounting policies adopted in the preparation of the Financial Statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) New, revised or amending Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2019 reporting period. The Directors' assessment of the impact of these new standards and interpretations is that they will result in no material changes to the amounts recognised in the Financial Statements but may impact the type of information disclosed in the Financial Statements.

b) Going concern basis of accounting

The Group incurred a loss after tax and before listing costs of \$5,856,742, which includes listing expenses of \$14,227,655 and share based payment expenses of \$596,816 and has a net cash outflow from operations of \$6,202,539 for the period ended 30 June 2019 and had net current assets of \$2,559,732 and net tangible assets of \$5,689,036 as at that

date. As at the date of this Report, the Group had cash assets of \$1,500,860. The consolidated entity is in the process of transitioning from a start-up/development business to a commercialised business with the intention of deriving product sales. No product sales have been derived to date.

These conditions above give rise to a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Management have prepared cash flow forecasts for the Group for the period ending 31 December 2020 which assumes continuity of business on the basis of the following events occurring:

- a) the completion of the Jaxsta Beta Metadata platform resulting in the subsequent commercialisation, accordingly cash receipts from revenues from platform use have been forecast;
- b) the receipt of a R&D tax concession for the financial year ended 30 June 2019 and establishing a line of credit secured against the future R&D tax concessions that Group expects to receive in respect of FY2020;
- c) Pursuing ongoing negotiations to bring forward the payment of the deferred consideration in respect of the MRT receivable;
- d) further development expenditure on transferring the Jaxsta Beta Site; and
- e) a proposed capital raising within the next 12 months.

The Directors believe that the Group is a going concern and that the above events will eventuate in the short term and accordingly the Financial Statements have been prepared on a going concern basis.

In the event that the above assumptions do not eventuate, there are material uncertainties that cast significant doubt over the ability of the Group to continue as a going concern.

In the event that the Group does not achieve the conditions stated above by the Directors, the ability of Jaxsta and therefore the Group to continue as a going concern may be impacted. As a result, the Group may not be able to realise its assets and extinguish its liabilities in the ordinary course of operations and at the amounts stated in the Financial Statements.

No adjustments have been made to the recoverability and classification of recorded asset values and the amount and classification of liabilities that might be necessary should Jaxsta and the Group not continue as going concerns.

Acquisition accounting and comparative information

On 28th December 2018, Jaxsta Limited (the 'legal parent') acquired Jaxsta Holdings Pty Ltd (the 'legal subsidiary'). For accounting purposes, the acquisition has been accounted for as a share-based payment and the principles of reverse acquisition have been applied.

As a result of the acquisition, the comparative information represents Jaxsta Holdings Pty Ltd and its controlled entities only. The current period represents the consolidated entity comprising: (a) Jaxsta Holdings Pty Ltd for the entire year; and (b) Jaxsta Limited from 28th December 2018 to 30 June 2019. Therefore, the comparatives will not compare to the consolidated financial results of Jaxsta published in prior financial reporting periods. Refer to 'Business Combination' accounting policy (at page 40 of this Report) for further explanation of the accounting for this transaction.

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 Group'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 (at page 44 of this Report).

Principles of consolidation

The Financial Statements incorporate the assets and liabilities of all subsidiaries of Jaxsta as at 30 June 2019 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The acquisition of Jaxsta Holdings Pty Limited by Jaxsta has been accounted as a share-based payment in accordance with AASB 2 'Share-based Payments' and the Financial Statements represent a continuation of the Financial Statements of Jaxsta Holdings. The comparative information is related to Jaxsta Holdings Pty Limited and its controlled entities operations and not those of Jaxsta. As a result, the comparatives will not compare to the consolidated financial results of Jaxsta (formerly Mobilarm Limited) published in prior financial reporting periods. Refer to 'Business Combination' accounting policy below at page 40 of this Report for further explanation of the accounting for this transaction.

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

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

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

Operating segments

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

Revenue recognition

Revenue was measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration was deferred, it was treated as the provision

of financing and was discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received was interest revenue.

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.

Research & Development tax incentive

Research & development tax incentive is recognised when it is received.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established being when the contract performance obligations are satisfied.

Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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

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

Current and non-current classification

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

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

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

Property, plant and equipment

Plant and equipment

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised. A formal assessment of recoverable amount is made when impairment indicators are present.

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

Depreciation

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

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

Computer Equipment	2 to 3 years
Leasehold improvements	5 to 10 years
Office Equipment	5 to 10 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the entity commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and

other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint ventures as being subject to the requirements of Accounting Standards specifically applicable to financial instruments (AASB 9).

Financial assets at fair value through profit or loss

Financial assets are classified at “fair value through profit or loss” when they are contingent consideration that may be paid by an acquirer as part of a business combination to which AASB 3: Business Combinations applies, held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount included in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned from the financial asset and is included in the face of the statement of profit and loss and other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

Financial liabilities

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

Contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies is classified as a financial liability and measured at fair value through profit or loss.

Intangibles

Goodwill

Goodwill is calculated as the excess of the sum of:

- a) the consideration transferred;
- b) any non-controlling interest; and
- c) the acquisition date fair value of any previously held equity interest;

d) over the acquisition date fair value of any identifiable assets acquired in a business combination.

Under the 'full goodwill method', the fair values of the non-controlling interests are determined using valuation techniques which make the maximum use of market information where available.

Goodwill is not amortised but is tested for impairment annually and is allocated to the Group's cash generating units or groups of cash generating units, which represent the lowest level at which goodwill is monitored but where such level is not larger than an operating segments. Gains and losses on the disposal of an equity interest include the carrying amount of goodwill related to the entity sold.

Changes in the ownership interests in a subsidiary are accounted for as equity transactions and do not affect the carrying values of goodwill.

Trademarks

Trademarks are recognised at cost of acquisition. They have an infinite life and are carried at cost less any impairment losses.

Platform Development Costs

Platform Development Costs are recognised at cost of acquisition. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Platform Development Costs are amortised over their useful lives as determined by the Directors of 3 years from 13 June 2019.

Impairment of non-financial assets

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.

At the end of each reporting period, the Group assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in

AASB 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with the respective Accounting Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

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

Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the Group's entities is the currency of the primary economic environment in which that entity operates. The Financial Statements are presented in Australian dollars, which is the parent entity's functional currency.

Transactions and balances

Foreign currency transactions are translated into the 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.

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 within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expect 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.

Share-based payments

Equity-settled share-based compensation benefits are provided to employees.

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

The costs 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 is 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.

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.

Contributed equity

Ordinary shares are classified as equity.

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

Business combinations

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

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

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

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

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

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing

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

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

Acquisition of Jaxsta Holdings Pty Ltd

During the financial year, Jaxsta Holdings Pty Limited's original shareholders obtained a controlling interest in Jaxsta after the acquisition transaction. This transaction did not meet the definition of a business combination per AASB 3 'Business Combinations'. The transaction has therefore been accounted for in the Financial Statements in accordance with AASB 2 'Share-based Payments' and as a continuation of the financial statements of Jaxsta Holdings Pty Limited, together with a deemed issue of shares, equivalent to the shares held by the former shareholders of Jaxsta. The deemed issue of shares is, in effect, a share-based payment transaction whereby Jaxsta Holdings Pty Limited is deemed to have received the net assets of Jaxsta, together with the listing status of Jaxsta. The overall accounting effect is very similar to that of a reverse acquisition in AASB 3.

Because the Financial Statements represent a continuation of the financial statements of Jaxsta Holdings Pty Limited, the principles and guidance on the preparation and presentation of the consolidated financial statements in a reverse acquisition set out in AASB 3 have been applied:

- fair value adjustments arising at acquisition were made to Mobilarm Limited's (now renamed Jaxsta) assets and liabilities, not those of Jaxsta Holdings Pty Limited;
- the cost of the acquisition, and amount recognised as issued capital to affect the transaction, is based on the notional amount of shares that Jaxsta Holdings Pty Limited would have needed to issue to acquire the same shareholding percentage in Mobilarm Limited (now renamed Jaxsta) at the acquisition date and the value of the existing Mobilarm Limited's options at the date of the acquisition;
- retained earnings and other equity balances in the Financial Statements at acquisition date are those of Jaxsta Holdings Pty Ltd;
- a share-based payment transaction arises whereby Jaxsta Holdings Pty Limited is deemed to have issued shares in exchange for the net assets of Mobilarm Limited's (now renamed Jaxsta) (together with its listing status). The listing status does not qualify for recognition as an intangible asset and has therefore been expensed in the profit or loss as a share based payment listing expense;
- the equity structure in the Financial Statements (the number and type of equity instruments issued) at the date of the acquisition reflects the equity structure of Mobilarm Limited's (now renamed Jaxsta), including the equity instruments issued by Mobilarm Limited's (now renamed Jaxsta) effect the acquisition;

- the results for the year ended 30 June 2019 comprise the consolidated results for the full-year of Jaxsta Holdings Pty Limited together with the results of Mobilarm Limited's (now renamed Jaxsta) from 28 December 2018 to 30 June 2019; and
- the comparative results represent the results of Jaxsta Holdings Pty Limited and its controlled entities only.

Provisions

Provisions are recognised when the Group 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.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash and cash equivalents

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

Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the reporting period 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.

Borrowings

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

Finance costs

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

Earnings per share

Basic earnings per share

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

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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

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

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

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Adoption of new Accounting Standards

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2019. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

The following new accounting standards which apply from 1 July 2018 have been adopted.

- *AASB 9 Financial Instruments*

The standard is applicable to annual reporting periods beginning on or after 1 January 2018.

The Standard is applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

The key changes that may affect the company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. Should the entity elect to change its hedge policies in line with the new hedge accounting requirements of the Standard, the application of such accounting would be largely prospective.

There is no impact on the financial statements as a result of the application of AASB 9.

- *AASB 15 Revenue from Contracts with Customers*

The standard is applicable to annual reporting periods beginning on or after 1 January 2018.

AASB 15 introduces a five step process for revenue recognition with the core principle of the new Standard being for entities to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the entity expect to be entitled in exchange for those goods or services. Accounting policy changes will arise in timing of revenue recognition, treatment of contracts costs and contracts which contain a financing element.

The application of this standard has no impact on the Financial Statements as Jaxsta did not have any contracts with customers in the 2019 financial year.

The following new accounting standard applies from 1 July 2019 have not been early adopted.

- *AASB 16 Leases*

AASB 16 will cause the majority of an entity to be brought onto the statement of financial position. There are limited exceptions relating to short term leases and low value assets which may remain off balance sheet. The calculation of the lease liability will take into account appropriate discount rates, assumptions about lease term and increases in lease payments. A corresponding right to use asset will be recognised which will be amortised over the term of the lease. Rent expense will no longer be shown; the profit and loss impact of the leases will be through amortisation and interest charges.

Whilst the impact of AASB 16 has not yet been quantified, the entity currently does not have any operating leases. The expected impact on the financial statements is minimal.

Note 3. Critical accounting judgements, estimates and assumptions

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

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The key estimate used in the valuation is the expected stock price volatility. 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.

Goodwill

Goodwill arises as a result of a business combination and represents the excess of the fair value of the consideration over the fair value of the net assets acquired, which involved judgement. The Group tests goodwill for impairment annually or more frequently if events or changes in circumstances indicate the goodwill may be impaired. The recoverable amount of each Cash Generating Unit ('CGU') is determined based on fair value less costs to sell which is based on recently transacted market prices of the Jaxsta Limited stock on the ASX that arose from capital raisings.

Going Concern

The going concern basis of accounting is considered a critical estimate and judgement area as Management and the Directors have made the use of significant accounting estimates and judgements in the preparation of the cash flow forecast used in assessing the going concern of the Group.

Note 4. Other income

	30 June 2019	30 June 2018
	\$	\$
Research and development tax incentive	665,657	583,622
Other revenue	35,657	-
Total other revenue	<u>701,314</u>	<u>583,622</u>

Note 5. Loss for the year

	30 June 2019	30 June 2018
	\$	\$
Loss before income tax includes the following specific expenses:		
a. Expenses		
Other Expenses includes the following material expenses:		
Professional advisers fees	102,803	109,574
Board fees	258,446	-
Commission	66,566	-
Employee benefit expenses includes the following:		
Salary and wages	2,201,414	1,659,387
Share-based payments expense	358,557	-
Superannuation expense	176,550	145,745
Total employee benefit expenses	<u>2,736,521</u>	<u>1,805,132</u>
b. Significant Revenue and Expenses		
Listing expenses include the following:		
Share based payment listing expense (i)	13,875,930	-
Legal and professional expenses	351,725	-
Total listing expenses	<u>14,227,655</u>	<u>-</u>

(i) Listing expenses of \$14,227,655 of which \$13,875,930 is a deemed non-cash, non-recurring expense resulting from application of the reverse acquisition accounting principles.

Note 6. Tax expense

	30 June 2019	30 June 2018
	\$	\$
The prima facie tax on loss from ordinary activities before income tax is reconciled to income tax as follows:		
Prima facie tax payable on profit from ordinary activities before income tax rate at 27.5% (2018: 27.5%)	(5,296,661)	(902,970)
Add:		
Tax effect amounts which are not deductible/taxable) in calculating taxable income:		
- Permanent differences	4,315,119	275,808
Current year tax losses not recognised	981,542	627,163
Income tax attributable to the group	<u>-</u>	<u>-</u>

Tax losses not recognised

The potential tax benefit for tax losses has not been recognised in the statement of financial position. Utilisation of the carry forward tax losses may be subject to a substantial annual limitation due to the ownership change limitations and the same business test accordingly the recovery of this benefit is not considered probable.

Note 7. Key management personnel compensation

Refer to the remuneration report contained in the directors' report for details of the remuneration paid or payable to each member of the Group's key management personnel (KMP) for the year ended 30 June 2019.

The totals of remuneration paid to KMP of the company and the Group during the year are as follows:

	30 June 2019	30 June 2018
	\$	\$
Short-term employee benefits	883,059	110,000
Post-employment benefits	65,375	10,450
Other long-term benefits	40,250	-
Share-based payments	149,395	-
Total KMP compensation	<u>1,138,079</u>	<u>120,450</u>

Short-term employee benefits

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

Post-employment benefits

These amounts are superannuation contributions made during the year.

Other long-term benefits

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

Share-based payments

These amounts represent the expense related to the participation of KMP in equity-settled benefit schemes as measured by the fair value of the options, rights and shares granted on grant date. Share-based payments is detailed in Note 21.

Note 8. Auditor's remuneration

	30 June 2019	30 June 2018
	\$	\$
Remuneration of the auditor for:		
Auditing or reviewing the financial statements by Walker Wayland Audit (WA) Pty Ltd	53,403	-
Auditing or reviewing the financial statements by Ernst & Young for three years ended 30 June 2016, 2017 and 2018	170,600	-
	<u>224,003</u>	<u>-</u>

Note 9. Dividends

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

Note 10. Earnings per share

	30 June 2019 \$	30 June 2018 \$
Loss after income tax attributable to the owners of Jaxsta Limited	<u>(19,260,585)</u>	<u>(3,283,529)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>133,873,975</u>	<u>44,812,106</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>133,873,975</u>	<u>44,812,106</u>
	Cents	Cents
Basic earnings per share	(0.14)	(0.07)
Diluted earnings per share	(0.14)	(0.07)

The weighted average number of ordinary shares for the comparative period has been adjusted to give effect to the capital reorganisation which occurred during the 30 June 2019 financial year.

Note 11. Cash and cash equivalents

	30 June 2019 \$	30 June 2018 \$
Cash on hand	101	-
Cash at bank	2,432,659	46,299
Term Deposits (i)	<u>20,000</u>	<u>-</u>
	<u>2,452,760</u>	<u>46,299</u>

(i) The term deposit will mature on 26 February 2020 with 31 days notice early withdrawal facility available. The interest rate is 2.3%.

Reconciliation of cash

Cash and cash equivalents at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	<u>2,452,760</u>	<u>46,299</u>
	<u>2,452,760</u>	<u>46,299</u>

Note 12. Trade and other receivables

	30 June 2019 \$	30 June 2018 \$
Current		
GST receivable	74,735	-
Other receivables (i)	<u>630,513</u>	<u>752,131</u>
Total	<u>705,248</u>	<u>752,131</u>

(i) \$623,813 of other receivables relates to the deferred consideration in relation to the sale of the MRT business which is due from Secure2go Group Ltd on or before 28 December 2019. The terms have changed post year end as referred to in the subsequent events note 30.

(i) \$750,000 excess cash resources were advanced to the holders of the convertible note in accordance with an agreement and was extinguished in cash on the acquisition of Jaxsta Holdings Pty Limited by Jaxsta Limited on 28 December 2018. For details, refer to Note 22: Related Party Disclosures.

Non Current

		30 June 2019	30 June 2018
		\$	\$
Other receivables	(i)	4,000,000	-
		4,000,000	-
Total Trade and other receivables		4,705,248	752,131

(i) Other receivables relate to the deferred consideration in relation to the sale of the MRT business which is due from Secure2go Group Ltd after 28 December 2020.

The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided for thereon. Amounts are considered as "past due" when the debt has not been settled, with the terms and conditions agreed between the Group and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Group.

The balances of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

	Gross Amount	Impaired	Past due but not impaired (days overdue)				Within initial trade terms
			<30	31-60	61-90	>90	
2019							
GST receivable	74,735	-	-	-	-	-	74,735
Other receivables	6,700	-	4,569	-	-	2,131	-
MRT receivables	4,623,813	-	-	-	-	-	4,623,813
Total	4,705,248	-	4,569	-	-	2,131	4,698,548
2018							
Other receivables	752,131	-	2,131	-	-	-	750,000
Total	752,131	-	2,131	-	-	-	750,000

Note 13. Property, plant and equipment

	30 June 2019	30 June 2018
	\$	\$
Office Equipment - at cost	41,446	37,171
Less: Accumulated depreciation	(16,147)	(10,983)
	25,299	26,188

	30 June 2019	30 June 2018
	\$	\$
Leasehold Improvements - at	312,163	312,163
Less: Accumulated depreciation	<u>(312,163)</u>	<u>(312,163)</u>
	<u>-</u>	<u>-</u>
Computer Equipment - at cost	118,116	107,092
Less: Accumulated depreciation	<u>(101,396)</u>	<u>(93,133)</u>
	<u>16,720</u>	<u>13,959</u>
Total property, plant and equipment	<u>42,019</u>	<u>40,147</u>

Movements in Carrying Amounts

Movements in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Office Equipment	Leasehold Improvements	Computer Equipment	Total
	\$	\$	\$	\$
Consolidated Group:				
Balance at 1 July 2017	36,371	300,843	4,117	341,331
Additions	800	-	15,963	16,763
Disposals	-	(942)	-	(942)
Depreciation expense	(10,983)	(299,901)	(6,121)	(317,005)
Balance at 30 June 2018	<u>26,188</u>	<u>-</u>	<u>13,959</u>	<u>40,147</u>
Additions	4,275	-	11,024	15,299
Depreciation expense	(5,164)	-	(8,263)	(13,427)
Balance at 30 June 2019	<u>25,299</u>	<u>-</u>	<u>16,720</u>	<u>42,019</u>

Note 14. Intangible assets

		30 June 2019	30 June 2018
		\$	\$
Platform Development Costs	(i)	178,963	153,508
Less: Accumulated amortisation		<u>(2,778)</u>	<u>-</u>
		<u>176,185</u>	<u>153,508</u>
Formation Costs		118,684	94,640
Less: Accumulated amortisation		<u>(118,684)</u>	<u>(26,649)</u>
		<u>-</u>	<u>67,991</u>
Trademark	(ii)	191,756	142,056
Less: Accumulated amortisation		<u>-</u>	<u>-</u>
		<u>191,756</u>	<u>142,056</u>

		30 June 2019	30 June 2018
		\$	\$
Goodwill	(iii)	4,025,904	4,025,904
Less: Impairment		-	-
		<u>4,025,904</u>	<u>4,025,904</u>
Total Intangible assets		<u>4,393,845</u>	<u>4,389,459</u>

	Platform Development Costs \$	Formation Costs \$	Trademark \$	Goodwill \$	Total \$
Balance at 30 June 2018					
Balance at the beginning of the year	147,508	94,640	128,285	4,025,904	4,396,337
Additions	6,000	-	13,771	-	19,771
Amortisation charge	-	(26,649)	-	-	(26,649)
Impairment losses	-	-	-	-	-
Net Carrying Amount	<u>153,508</u>	<u>67,991</u>	<u>142,056</u>	<u>4,025,904</u>	<u>4,389,459</u>
Balance at 30 June 2019					
Balance at the beginning of the year	153,508	67,991	142,056	4,025,904	4,389,459
Additions	25,455	24,044	49,700	-	99,199
Disposals	-	-	-	-	-
Amortisation charge	(2,778)	(92,035)	-	-	(94,813)
Impairment losses	-	-	-	-	-
Net Carrying Amount	<u>176,185</u>	<u>-</u>	<u>191,756</u>	<u>4,025,904</u>	<u>4,393,845</u>

(i) Platform Development costs

Development costs have been capitalised at cost. They have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Platform Development Costs are amortised over their useful lives, being 3 years as determined by the Directors. Amortisation commenced on 13 June 2019.

(ii) Trademark

Trademarks are assessed to have an indefinite life and will not be amortised.

(iii) Goodwill

Goodwill has been capitalised at the amount of excess consideration paid over purchase of Jaxsta Enterprise Pty Ltd. The recoverable amount of Jaxsta business is determined based on fair value less costs to sell, which is based on recent capital raisings and quoted prices on the active market, being the ASX.

In December 2018, the company raised equity funds via the issue of 26,345,000 shares at an issue price of \$0.20 per share raising a total of \$5,269,000 and in May 2019 the company raised further equity funds via the issue of 13,220,000 shares at an issue price of \$0.25 per share raising a total of \$3,305,000. The active market transactions would value the cash generating unit in excess of its carrying value based on the respective market capitalisation. The market price of the Jaxsta Ltd shares as at the date of this report is \$0.18.

Note 15. Other assets

	30 June 2019	30 June 2018
	\$	\$
Prepayments	161,002	34,563
Rental Bond	26,400	26,400
Total	<u>187,402</u>	<u>60,963</u>

Note 16. Trade and other payables

Current	30 June 2019	30 June 2018
	\$	\$
Unsecured liabilities:		
Trade creditors	300,707	418,201
Other creditors and accruals	298,985	288,595
Total	599,692	706,796

Note 17. Loans and borrowings

Current		30 June 2019	30 June 2018
		\$	\$
Convertible notes	(i)	-	1,500,000
Insurance funding	(ii)	26,597	-
Loan from related party	(iii)	-	822,437
Founder loan	(iv)	-	300,000
Total		26,597	2,622,437

(i) The convertible note at 30 June 2018 was owing to Mobilarm Limited and was extinguished on the acquisition of Jaxsta Holdings Pty Limited by Mobilarm Limited through the issue of shares in Jaxsta Limited.

(ii) Insurance funding is a ten months short term loan with an fixed interest rate of 5.85%

(iii) The company entered into a loan arrangement facility at no interest with New Holland Pty Limited for \$272,680 which was repaid in cash in January 2019 and \$549,798 loan with Marine Recue Technologies Ltd was partially repaid in September 2018, with a balance of \$34,758 carried forward. Further loans of \$465,654 were obtained during the financial year, of which \$200,654 were repaid in cash during January 2019, with the remaining balance settled through the issue of shares.

(iv) One of the founding directors entered into a loan agreement with an interest rate of 0%. The loan was repaid by the issue of shares.

Note 18. Provisions

Current	30 June 2019	30 June 2018
	\$	\$
Employee benefits - annual leave	159,389	84,790
	159,389	84,790
Non-current	30 June 2019	30 June 2018
	\$	\$
Employee benefits - long service	88,902	-
	88,902	-

Provision for Employee Benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

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

The non-current portion for this provision includes amounts accrued for long service leave entitlements that have not yet vested in relation to those employees who have not yet completed the required period of service.

Note 19. Issued Capital

The share capital dollar value represents the continuation of Jaxsta Holdings Pty Ltd. The number of shares on issue reflect those of Jaxsta Limited.

Refer to note 2 "Business combinations" for further details of the accounting principles applied.

	30 June 2019	30 June 2018	30 June 2019	30 June 2018
	Shares	Shares	\$	\$
Ordinary shares - Fully paid	231,326,901	493,119,559	35,670,064	7,974,578
	231,326,901	493,119,559	35,670,064	7,974,578

	Date	Issue Price	No. of shares	\$
Balance	1 July 2018		493,119,559	7,974,578
Share consolidation 1 for 10	17 August 2018		(448,307,453)	-
Conversion of performance share	28 December 2018	0.00	5,000,000	-
Performance shares	28 December 2018	0.00	550,000	-
Conversion of loan	28 December 2018	0.13	32,000,000	4,000,000
Shares to effect the acquisition of Jaxsta Holdings Pty Ltd.	28 December 2018	0.20	109,399,795	21,879,959
Notional reverse acquisition adjustment	28 December 2018		-	(6,153,742)
Shares issued on capital raising	28 December 2018	0.20	26,345,000	5,269,000
Shares issued on capital raising	14 May 2019	0.25	13,220,000	3,305,000
Shares issue transaction costs,			-	(604,731)
Balance	30 June 2019		231,326,901	35,670,064

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

Note 20. Cash flow information

	30 June 2019 \$	30 June 2018 \$
a. Reconciliation of Cash Flows from Operating Activities with Loss after Income Tax		
Loss for the period	(19,260,585)	(3,283,529)
Cash flows excluded from loss attributable to operating activities		
Non-cash flows in loss:		
- Depreciation and amortisation	42,993	343,674
- Write-off capitalised expenditure	41,204	-
- Net foreign currency losses/(gains)	7,350	-
- Listing expenses	13,875,930	-
- Employee share scheme expense	535,816	-
Changes in assets and liabilities:		
- (increase)/decrease in trade and term receivables	-	19,663
- (increase)/decrease in prepayments	(22,130)	-
- (decrease)/increase in trade payables and accruals	(1,507,315)	157,211
- (decrease)/increase in provisions	163,501	-
- (increase)/decrease in other current assets	(79,303)	(28,945)
Cash flows from operating activities	<u><u>(6,202,539)</u></u>	<u><u>(2,791,926)</u></u>

b. Non-cash Financing and Investing Activities

(i) Loans and Borrowing:

\$1,500,000 convertible note were converted to shares in Jaxsta Limited on 28 December 2019.

\$299,717 Loan from related party were converted to shares in Jaxsta Limited on 28 December 2019

\$300,000 Funder loans were converted to shares in Jaxsta Limited on 28 December 2019

(ii) Trade and Other Receivables:

\$750,000 Other receivables were converted to shares in Jaxsta Limited on 28 December 2019.

Note 21. Reserves

	30 June 2019 \$	30 June 2018 \$
Share based payment reserve	<u>596,816</u>	<u>-</u>
Balance at the beginning of the year	-	-
CEO share options expense	66,903	-
Lead Manager options expense	61,000	-
Employee option plan	280,313	-
Employee incentive option plan expense	11,341	-
Data Partner warrants granted	177,259	-
Balance at the end of the year	<u><u>596,816</u></u>	<u><u>-</u></u>

The following share-based payment arrangements existed as at 30 June 2019

CEO Options						
Number of Options	Exercise Price (\$)	Granted Date	Status	Vesting Conditions	Expiry Date	Note
20,000,000	0.20	16-Nov-18	Granted	vest in tranches of 1,000,000 options for every share price increase of \$0.10 from the initial price of \$0.20 on a trailing 30-day VWAP basis	16-Nov-23	1 & 2
20,000,000	Total CEO Options					
Lead Manager (share issue)						
Number of Options	Exercise Price (\$)	Granted Date	Status	Vesting Conditions	Expiry Date	Note
333,333	0.30	16-Nov-18	Granted	one third of the Options will vest when the Share price hits \$0.30 for a period of 5 consecutive trading days	16-Nov-23	3
333,333	0.30	16-Nov-18	Granted	one third of the Options will vest when the Share price hits \$0.40 for a period of 5 consecutive trading days	16-Nov-23	3
333,333	0.30	16-Nov-18	Granted	the final third of the Options will vest when the Share price hits \$0.50 for a period of 5 consecutive trading days	16-Nov-23	3
1,000,000	Total Lead Manager Options					
Employee Options						
Number of Options	Exercise Price (\$)	Granted Date	Status	Vesting Conditions	Expiry Date	Note
345,000	-	28-Mar-19	Vested	100% exercisable from 1 May 2019 until expiry	28-Mar-26	1 & 2
345,000	-	28-Mar-19	Granted	100% exercisable after 28 the March 2020 until expiry	28-Mar-26	1 & 2
25,000	-	28-Mar-19	Granted	100% exercisable after 31 October 2019 until expiry	28-Mar-26	1 & 2
25,000	-	28-Mar-19	Vested	100% exercisable from 1 May 2019 until expiry	28-Mar-26	1 & 2
150,000	-	28-Mar-19	Vested	100% exercisable after 1 May 2019	28-Mar-26	1 & 2
100,000	-	28-Mar-19	Vested	100% exercisable after 1 May 2019	28-Mar-20	1 & 2
990,000	Total Employee Options					
Employee Incentive Options						
Number of Options	Exercise Price (\$)	Granted Date	Status	Vesting Conditions	Expiry Date	Note
169,711	0.651	28-Mar-19	Granted	Subject to exercise restrictions from grant date to 1st anniversary	28-Mar-25	4

Number of Options	Exercise Price (\$)	Granted Date	Status	Vesting Conditions	Expiry Date	Note
169,712	0.651	28-Mar-19	Granted	Subject to exercise restrictions from grant date to 2nd anniversary	28-Mar-25	4
131,250	0.651	28-Mar-19	Granted	Subject to exercise restrictions from grant date to 3rd anniversary	28-Mar-25	4
131,250	0.651	28-Mar-19	Granted	Subject to exercise restrictions from grant date to 4th anniversary	28-Mar-25	4
601,923	Total Employee Incentive Options					
Data Partner Warrants						
Number of Warrants	Exercise Price (\$)	Granted Date	Status	Vesting Conditions	Expiry Date	Note
713,105	0.01	14-Mar-19	Granted	Vesting (on the last day of the month) 12 months after date of issue and subject to other non-market vesting conditions	14-Mar-26	5
713,105	0.01	14-Mar-19	Granted	Vesting (on the last day of the month) 12 months after date of issue	14-Mar-26	5
713,105	0.01	14-Mar-19	Granted	Vesting 24 months after date of issue	14-Mar-26	5
713,105	0.01	14-Mar-19	Granted	Vesting 24 months after date of issue and subject to other non-market vesting conditions	14-Mar-26	5
675,573	0.01	15-Mar-19	Granted	Vesting 12 months after date of issue	15-Mar-27	5
675,573	0.01	15-Mar-19	Granted	Vesting 24 months after date of issue	15-Mar-28	5
562,978	0.01	18-Jun-19	Granted	Vesting (on the last day of the month preceeding) 12 months after date of issue	18-Jun-27	5
562,978	0.01	18-Jun-19	Granted	Vesting (on the last day of the month preceeding) 24 months after date of issue	18-Jun-28	5
5,329,522	Total Data Partner Warrants					

Notes:

1. Issued under the terms of Incentive Option Plan (Jaxsta). Refer to the table for terms.
 2. Vesting basis to remain employed by Jaxsta at vesting date (ranging from 0 to 1,825 days).
 3. Issued pursuant to the 2018 rights issue document dated 28 December 2018.
 4. Issued pursuant to the 2019 rights issue document dated 28 March 2019.
 - 5 Warrants to various data partners between 14 March 19 and 18 June 2019 .
- All options and warrants granted are in respect of ordinary shares in Jaxsta Limited and confer a right of one ordinary share for each option held.

Movement in the number of share options on issue

	2019	
	Number of Options & warrants	Weighted Average Exercise Price (\$)
Total options and warrants		
Outstanding at the beginning of the year	-	-
Granted	27,921,444	0.170
Forfeited	-	-
Exercised	-	-
Expired	-	-
Outstanding at year end	27,921,444	0.170
Exercisable at year end	27,921,444	0.170

Options Reserve

The fair value of issued CEO share options is calculated to be \$0.033 per option totalling \$660,000 (2018: \$NIL). The number of options granted during the year pursuant to the Incentive Option Plan (Jaxsta) was 20,000,000 (2018: (NIL)).

The fair value of issued Employee share options is calculated to be \$0.39 per option totalling \$386,100 (2018: \$NIL). The number of options granted during the year pursuant to the Employee Incentive Option Plan (Jaxsta) was 990,000 (2018: (NIL)).

The fair value of issued Employee Incentive share options is calculated to be \$0.137 per option totalling \$82,463 (2018: \$NIL). The number of options granted during the year pursuant to the Employee Incentive Option Plan (Jaxsta) was 601,923 (2018: (NIL)).

The fair value of issued Lead Manager share options is calculated to be \$0.061 per option totalling \$61,000 (2018: \$NIL). The number of options granted during the year pursuant to the ESOP was 1,000,000 (2018: (NIL)).

The fair value of issued Data partner Warrants is calculated to be \$0.137 per warrant totalling \$1,033,627 (2018: \$NIL). The number of warrants granted during the year pursuant to the Incentive Option Plan (Jaxsta) was 5,329,521 (2018: (NIL)).

In March 2019, the company granted Senior Employees 990,000 options with an exercise price of Nil, exercisable 34 days from grant date. The value of these options is \$386,100.

Included under employees and contractor costs in the statement of profit and loss and other comprehensive income is a share-based payments expense of \$358,557 (2018: NIL), representing the expense for the current reporting period.

Included under product development expense in the statement of profit and loss and other comprehensive income is a share-based payments expense of \$177,259 (2018: NIL), representing the expense for the current reporting period.

Included in Equity as a cost of capital raising is share based payment expense of \$61,000 for Lead Manager Options.

The value of share options issued during the financial year has been calculated by using a binomial option pricing model applying the following inputs:

	CEO Options	Lead Manager	Employee Options	Employee Incentive	Data Partner Warrants
Exercise prices	\$0.20	\$0.30	\$0.00	\$0.651	\$0.01
Underlying share prices	\$0.20	\$0.20	\$0.39	\$0.39	\$0.18 - \$0.24
Days to expiration	1,825	1,825	365 to 2555	2,190	2555 to 3285
Days to vesting	0 to 1,825	0 to 1,825	34 to 272	365 to 1367	365 to 730
Expected share price volatility	50%	50%	50%	50%	50%
Risk free interest rate	2.02%	2.02%	2.02%	2.02%	2.02%

Expected share price volatility has been based using comparable entities listed on the ASX which operate in the same industry group as Jaxsta Limited (Jaxsta). The Directors believed this to be fair representation of Jaxsta expected volatility in the absence of volatility.

The life of the options is based on the contracted expiry date.

Note 22. Related Party Disclosures

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

Entities exercising control over the Group:

(i) The ultimate parent entity that exercises control over the Group is Jaxsta Limited, which is incorporated in Australia.

(ii) Key management personnel:

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity, are considered key management personnel. For details of disclosures relating to key management personnel, refer to Note 7.

(b) Transactions with related parties

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

The following transactions occurred with related parties:

Trade and other receivables

	30 June 2019	30 June 2018
	\$	\$
Loan to other related party - Mobilarm Ltd		
Beginning of the year	750,000	-
Loans advanced	-	750,000
Loan repayment received	(750,000)	-
End of the year	<u>-</u>	<u>750,000</u>

This loan is interest free, unsecured and at call. It was extinguished in cash on the acquisition of Jaxsta Holdings Pty Limited on 28 December 2018.

Loans and Borrowings

	30 June 2019	30 June 2018
	\$	\$
Loan from other related party -New Holland Pty Ltd		
Beginning of the year	272,680	94,845
Loans advanced	-	177,835
Loan repayment	(272,680)	-
End of the year	<u>-</u>	<u>272,680</u>

This loan was interest free and was repaid in cash in January 2019.

	30 June 2019	30 June 2018
	\$	\$
Loan from other related party - Marine Rescue Technologies Ltd		
Beginning of the year	549,758	200,000
Loans advanced	465,654	349,758
Loan repayment	(1,015,412)	-
End of the year	<u>-</u>	<u>549,758</u>

This loan was interest free and \$715,695 was repaid in cash in January 2019 with the remaining balance settled through the issue of shares in Jaxsta Limited.

	30 June 2019	30 June 2018
	\$	\$
Loan from other key management personnel related entities		
- Jacqui Louez Schoorl and Louis Schoorl		
Beginning of the year	300,000	-
Loans advanced	-	300,000
Loan repayment	(300,000)	-
End of the year	<u>-</u>	<u>300,000</u>

This loan agreement with an interest rate of 0%. The loan was repaid by the issue of shares in Jaxsta Limited.

The following related party transactions occurred during the financial period:

Brett Cottle received director fees of \$60,000 for the financial year, any other transactions throughout the year relate to reimbursements for expenses incurred by Jaxsta Ltd or his related entities on behalf of the Group.

Jorge Nigaglioni received a salary and directors fee of \$30,000 for the financial year and is paid to himself. Any other transactions throughout the year relate to reimbursements for expenses incurred by Jaxsta Ltd or his related entities on behalf of the Group.

Linda Jenkinson received directors fee of \$32,850 for the financial year and is paid to herself. Any other transactions throughout the year relate to reimbursements for expenses incurred by Jaxsta Ltd or his related entities on behalf of the Group.

Launa Inman received directors fee of \$10,950 for the financial year and is paid to herself. Any other transactions throughout the year relate to reimbursements for expenses incurred by Jaxsta Ltd or her related entities on behalf of the Group.

Jacqui Louez Schoorl received a salary and directors fee of \$221,159 for the financial year and is paid to herself, accordingly. Any other transactions throughout the year relate to reimbursements for expenses incurred by her or her related entities on behalf of the Group.

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

Note 23. Financial Risk Management

The group's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	30 June 2019	30 June 2018
		\$	\$
Financial assets			
Cash and cash equivalents	11	2,452,760	46,299
Loans and receivables	12	81,435	752,131
MRT receivables	12	4,623,813	-
Total financial assets		<u>7,158,008</u>	<u>798,430</u>
		30 June 2019	30 June 2018
		\$	\$
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	16	599,692	706,796
Loans and borrowings	17	26,597	2,622,437
Total financial liabilities		<u>626,289</u>	<u>3,329,233</u>

Financial Risk Management Policies

The directors overall risk management strategy seeks to assist the group in meeting its financial targets, while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Board of Directors on a regular basis. These include the credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

The main risks the group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, foreign currency risk and price risk.

There have been no substantive changes in the types of risks the group is exposed to, how these risks arise, or the Board's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the group.

Credit risk is managed through the maintenance of procedures (such as the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment. Depending on the division within the Group, credit terms are generally 14 to 30 days from the invoice date.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period excluding the value of any collateral or other security held, is equivalent to the carrying amount (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at board level, given to parties securing the liabilities of certain subsidiaries.

Other receivables is deferred consideration in relation to the sale of the MRT business which is due from Secure2go Group Ltd on or before 28 December 2020. Refer to Events After the Reporting Period in Note 30.

The group has a significant concentrations of credit risk with MRT receivables. Details with respect to credit risk of trade and other receivables are provided in Note 12 and Note 30.

Trade and other receivables that are neither past due nor impaired are considered to be high credit quality. Aggregated of such amounts are detailed in Note 12.

Credit risk related to balances with banks and other financial institutions is managed by the group in accordance with approved board policy. Such policy requires that surplus funds are only invested with major financial institutions.

(b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analyses in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The table below reflects an undiscounted contractual maturity analysis for financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates and does not reflect management's expectations that banking facilities will be rolled forward.

Financial liability and financial asset maturity analysis

	Within 1 year		1 to 5 years		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment						
Loans and borrowings	26,597	2,622,437	-	-	26,597	2,622,437
Trade and other payables	599,692	706,796	-	-	599,692	706,796
Total contractual outflows	626,289	3,329,233	-	-	626,289	3,329,233
Total expected outflows	626,289	3,329,233	-	-	626,289	3,329,233

	Within 1 year		1 to 5 years		Total	
	2019	2018	2019	2018	2019	2018
	\$	\$	\$	\$	\$	\$
Financial assets cash flows realisable						
Cash and cash equivalents	2,452,760	46,299	-	-	2,452,760	46,299
Trade and loan receivables	705,248	752,131	4,000,000	-	4,705,248	752,131
Total anticipated inflows	3,158,008	798,430	4,000,000	-	7,158,008	798,430
Net (outflow)/inflow on financial instruments	3,158,008	798,430	4,000,000	-	7,158,008	798,430

(b) Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial

The financial instruments that primarily expose the Group to interest rate risk are borrowings, foreign currency, and cash and cash equivalents.

(ii) Foreign exchange risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors (other than those arising from interest rate risk or foreign currency risk) for commodities.

Sensitivity analysis

The following table illustrates sensitivities to the Group's exposures to changes in interest rates, exchange rates and commodity and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

		Profit	Equity
		\$	\$
Year ended 30 June 2019			
+/- 1% in interest rates	+/-	1	1
Year ended 30 June 2018			
+/- 1% in interest rates	+/-	463	463

There have been no changes in any of the methods or assumptions used to prepare the above sensitivity analysis from the prior year.

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Refer to Note 24 for detailed disclosures regarding the fair value measurement of the Group's financial assets and financial liabilities.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Note	2019		2018	
		Net carrying value \$	Net fair value \$	Net carrying value \$	Net fair value \$
Financial assets					
Cash and cash equivalents	11	2,452,760	2,452,760	46,299	46,299
Trade and other receivables	12	4,705,248	4,705,248	752,131	752,131
Other assets	15	26,400	26,400	26,400	26,400
Total financial assets		7,184,408	7,184,408	824,830	824,830

	Note	2019		2018	
		Net carrying value \$	Net fair value \$	Net carrying value \$	Net fair value \$
Financial liabilities					
Trade and other payables	16	599,692	599,692	706,796	706,796
Loans and borrowings	17	26,597	26,597	2,622,437	2,622,437
Total financial liabilities		626,289	626,289	3,329,233	3,329,233

Cash and cash equivalents, trade and other receivables, loans and advances and trade and other payables are short-term instruments in nature whose carrying amounts are equivalent to their fair values.

Note 24. Fair Value Measurements

The carrying amounts of cash and cash equivalents, trade and other receivables, loans and advances and trade and other payables are carried at their amortised cost less any impairment. The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current interest rate that is valuable for similar financial liabilities.

Note 25. Contingent Assets and Contingent Liabilities

There were no contingent assets or contingent liabilities which would have a material effect on the consolidated entity's financial statements as at 30 June 2019 (2018: \$ nil).

Note 26. Contractual Commitments

Jaxsta Limited had no contractual commitments as at 30 June 2019,

Note 27. Parent Entity Information

Parent entity information

Parent entity financial information relates to Jaxsta Limited (formerly Mobilarm Limited). As detailed in note 2, Jaxsta Limited is "the legal parent" of the consolidated entity with effect from 28 December 2018. The information for the periods represents the standalone financial information of the parent entity.

The comparative financial information are not part of the consolidated entity's financial position or performance for the 30 June 2018.

Statement of financial position

	30 June 2019	30 June 2018
	\$	\$
Assets		
Current assets	3,352,624	-
Non-current	31,646,111	10,800,492
TOTAL ASSETS	34,998,735	10,800,492
LIABILITIES		
Current liabilities	43,109	300,000
Non-current	-	1,500,000
TOTAL LIABILITIES	43,109	1,800,000
Equity		
Issued capital	64,828,062	7,974,578
Retained earnings	(30,469,253)	1,025,914
Option reserve	596,816	-
TOTAL EQUITY	34,955,626	9,000,492

Statement of profit or loss and other comprehensive income

	30 June 2019	30 June 2018
	\$	\$
Total loss	(495,707)	-
Total comprehensive loss	(495,707)	-

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity has no guarantees in relation to the debts of its subsidiaries as at 30 June 2019 and 30 June 2018.

Contingent liabilities

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

Contractual commitments

The parent entity had no contractual commitments as at 30 June 2019 and 30 June 2018.

Note 28. Interests in subsidiaries

Information about Principal Subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. Each subsidiary's principal place of business is also its country of incorporation.

Name of Subsidiary	Country of Incorporation	Ownership Interest Held by the Group	
		2019	2018
Jaxsta Holdings Pty Ltd	Australia	100%	
Jaxsta Enterprise Pty Ltd	Australia	100%	100%
Jaxsta Inc.	United States of America	100%	100%

Note 29. Registered Office

The registered office of the company is:
Level 1/ 113-115 Oxford Street
Darlinghurst NSW 2010

The principal place of business is:
Level 1/ 113-115 Oxford Street
Darlinghurst NSW 2010

Note 30. Events After the Reporting Period

Other than the events described below, there are no other events or circumstances have arisen that would require disclosure in the financial report.

Jaxsta is pursuing ongoing negotiations to bring forward the payment of the deferred consideration in respect of the MRT receivable (as foreshadowed in Jaxsta's ASX announcements released on 29 July 2019 and 31 July 2019 respectively).

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