Takor Group Limited and Controlled Entities

ABN 69 136 358 337

Consolidated Annual Report – 30 June 2020

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Annual Report - 30 June 2020

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General information

The consolidated financial statements cover Takor Group Limited and the entities it controlled at the end of, or during, the year ended 30 June 2020. Throughout the report, the consolidated entity is referred to as the group. The financial statements are presented in Australian dollars, which is Takor Group Limited's functional and presentation currency.

Takor Group Limited is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Suite 3	Unit 28
128 Main Street	12 Cowcher Place
Osborne Park, WA, 6017	Belmont WA 6104

The principal activity of the company is development and sales of worldwide geospatial technology applications.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 23 March 2021. The directors have the power to amend and reissue the financial statements.

Takor Group Limited
Directors' report
30 June 2020

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Takor Group Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2020.

Directors

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

Amir Farhand
Guy Perkins
Philip Carulli
David Singleton (appointed 29 January 2021)

Principal activities

During the financial year the principal continuing activities of the consolidated entity consisted of:

- Provision of geospatial imagery
- Collecting geospatial data from contributors
- Building a digital atlas for all the worlds maps and images

Review of operations

The loss for the consolidated entity after providing for non-controlling interest amounted to $668,347 (30 June 2019: $1,011,712). The major items of expenditure include employee benefits of $819,609.

The increase in revenue for the year along with government grants received for Research and Development and COVID-19 assistance significantly reduced the loss for the year. This was achieved while maintaining costs and continuing the development of the Soar platform.

The company was not impacted significantly by the Coronavirus (COVID-19) pandemic up to 30 June 2020 has been financially positive for the consolidated entity.

Significant changes in the state of affairs

On 1 April 2020 Takor Group Limited acquired 100% of its subsidiary Soar Australia Pty Ltd. The acquisition was by way of a share swap whereby Soar Shareholders received shares in the head entity as consideration.

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

Matters subsequent to the end of the financial year

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while there has been no significant financial impact for the consolidated entity up to 30 June 2020, it is not practicable to estimate the potential impact, positive or negative, after the reporting date.

On 20th January 2021 Takor Group Limited signed a mandate with Cannacord Genuity who will act as lead manager for a proposed IPO capital raising for an issue of new fully paid ordinary shares to raise a minimum $12,000,000.

On 29th January 2021 David Patrick Alexander Singleton was appointed as Chairperson.

Due to the volatile nature and the materiality of the digital assets held, we disclose the impact of changes in the value of digital assets held by the Group as at the close date of the 22 March 2021:

Coin Symbol	AUD Spot Price at 30 June 2020	AUD Spot Price at 22 March 2021	AUD Impact
ETH	$328.54	$2,215.26	2,799,892

Likely developments and expected results of operations
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

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

Information on directors

Name:	Amir Farhand
Title:	Managing Director and Chief Executive Officer
Qualifications:	Bachelor of Science
Experience and expertise:	Amir is the CEO and Founder of Soar. In the past 15 years, Amir has combined information technology in the fields of source coding, application design, system management and in-stream business operations to commercialise several high-profile mapping systems. These systems have gone onto to be used in applications ranging from mining and engineering, though to agriculture and military. Amir has also written and co-authored several internationally recognized technical papers in the field of geospatial technology and mapping systems and their influence in commercial applications in multiple sectors. Several of these papers have gone on to be awarded by the International Remote Sensing Conference (Australia, China and USA) in their ability to assist with geological and geomorphological analysis, particularly with using RADAR algorithms for mineral exploration in tropical regions. Since 2015, Amir has been working closely with mapping and geospatial technologies in bringing mapping to the masses using existing systems such as satellites and drones.
Special responsibilities:	None

Name:	David Singleton
Title:	Managing Director and Chief Executive Officer
Qualifications:	Mechanical Engineering and Honorary Doctorate of Engineering.
Experience and expertise:	David has spent much of his career in the defence industry around the world in roles encompassing design, heavy manufacturing, customer support and international sales. He was a Non-Executive Director of Austal for four years before becoming CEO in April 2016. David has held numerous senior roles with BAE Systems, one of the world's largest defence companies, including Group Head of Strategy and Mergers & Acquisitions in London from 1997 to 1998 and again in 2003. David was the Chief Executive Officer of Alenia Marconi Systems (AMS) in the intervening years; a joint venture between BAE Systems and Finmeccanica that had turnover of circa €1.4 billion and employed 7,500 people across the UK, Italy, USA and Germany. AMS was a European leader of naval warfare and air defence systems, C4I (command, control, communications, computers and intelligence), ground and naval radars, naval command and control training systems and long term naval support. David started his career with the UK Ministry of Defence and worked in research, development and manufacturing as well as in senior management roles in Royal Ordnance, which was eventually acquired by BAE. Most recently, David was the CEO and Managing Director of Perth based mining company Poseidon Nickel Limited. Prior to this role, he served as CEO and Managing Director of Clough Limited between 2003 and 2007.
Special responsibilities:	None

Name:	Guy Perkins
Title:	Non-Executive Director
Qualifications:	Bachelor of Civil Engineering
Experience and expertise:	Guy Perkins is an established technology executive that has been involved in ESRI, ER Mappers, Neamap, Spookfish and others over the last 30 years. He is currently a non executive director or ASX listed Scrole
Special responsibilities:	None

Name:	Philip Carulli
Title:	Non-Executive Director
Qualifications:	Bachelor of Business, Chartered Accountant, Registered SMSF Auditor
Experience and expertise:	Philip Carulli is a Chartered Accountant and managing director of Optima Financial Group Pty Ltd where he provides financial, taxation and corporate advisory services to a diverse range of businesses. Over the past 23 years Mr Carulli has owned, managed and consulted to companies in professional services, construction, technology, medical, and industrial sectors to name a few. He specialises in working with technology and R&D businesses and is currently a non-executive Director of Takor Group Limited and hitIQ Limited.
Special responsibilities:	None

Company secretary
Philip Carulli has also held the role of Company Secretary.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2020, and the number of meetings attended by each director were:

	Attended	Held
Amir Farhand	1	1
Guy Perkins	1	1
Philip Carulli	1	1

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

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

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

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

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

Rounding of amounts
The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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

Auditor
BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.
This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Amir Farhand
Director

23 March 2021
Perth

Consolidated statement of profit or loss and OCI
For the year ended 30 June 2020

	Note	2020 $	2019 $
Revenue			
Revenue	3	629,587	179,546
Other Income	3	5,442	10,000
Research and development grant	3	546,706	289,705
Expenses			
Raw materials and consumables used		-	(3,019)
Accountancy expenses		(29,940)	(7,533)
Advertising expenses		(243,551)	(28,710)
Depreciation and Amortisation		(7,657)	(7,422)
Share Based Payments	19	(291,498)	-
Employee benefits expenses		(819,609)	(903,671)
Administration, consulting and regulatory expenses		(457,827)	(540,608)
Profit/(Loss) before income tax expense		(668,347)	(1,011,712)
Income tax expense	3.a	-	-
Profit/(Loss) for the year		(668,347)	(1,011,712)
Profit/(Loss) for the year is attributable to:			
Owners of Takor Group Ltd		(669,658)	(1,007,865)
Non-controlling interests		1,311	(3,847)
Total Profit/(Loss) attributable to the owners of Takor Group Limited		(668,347)	(1,011,712)

Earnings per share for profit from continuing operations
attributable to the ordinary equity holders of the
attributable to the ordinary equity holders of the company

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

Consolidated Statement Other Comprehensive Income
For the year ended 30 June 2020

Consolidated Statement Other Comprehensive Income	**2020 $**	**2019 $**
Profit/(Loss) for the Period	(668,347)	(1,011,712)
Other Comprehensive Income:		
Items that may be reclassified subsequently to profit or loss		
Items that will not be reclassified subsequently to profit or loss		
Revaluation of Intangible asset	(176,419)	224,511
Other comprehensive income for the period, net of tax	(176,419)	224,511
Total comprehensive income for the year	(844,766)	(787,201)
Total comprehensive income for the period is attributable to:		
The owners of Takor Group Limited	(846,077)	(783,354)
Non-controlling interests	1,311	(3,847)
	(844,766)	(787,201)

Statement of Financial Position
For the year ended 30 June 2020

	Note	2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents	4	1,129,286	1,404,112
Trade and other receivables	5	14,225	18,375
Other receivables	6	331,805	627,740
Total current assets		1,475,316	2,050,227
Non-current assets			
Property, plant and equipment	7	39,725	38,265
Intangible Assets	7a	486,798	723,369
Total non-current assets		526,522	761,634
Total assets		**2,001,838**	**2,811,861**
Liabilities			
Current liabilities			
Trade and other payables	8	433,024	692,654
Provisions	9	44,851	54,245
Borrowings	10	407,263	400,000
Total current liabilities		885,138	1,146,899
Non-Current liabilities			
Provisions	9	25,864	20,858
Total Non-Current Liabilities		25,864	20,858
Total Liabilities		**911,002**	**1,167,757**
Net assets		**1,090,836**	**1,644,104**
Equity			
Share Capital and Share Premium	11a	5,347,992	1,981,032
Reserves	11b	339,590	224,511
Retained Earnings	11c	(4,596,746)	(3,816,385)
Capital and Reserves Attributable to owners of Takor Group Pty Ltd		1,090,836	(1,610,842)
Non-Controlling Interests		-	3,254,946
Total equity		**1,090,836**	**1,644,104**

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

Statement of Changes in Equity
For the year ended 30 June 2020

	Issued Capital $	Retained Losses $	Reserves $	NCI $	Total Equity $
Balance at 1 July 2018	1,951,564	(2,808,520)	-	766,762	(90,194)
Loss after income tax expense for the period	-	(1,007,865)	-	(3,847)	(1,011,712)
Other comprehensive income	-	-	224,511	-	224,511
Total comprehensive income	-	(1,007,865)	224,511	(3,847)	(787,201)
Contributions of equity, net of transaction costs	29,468	-	-	-	29,468
Contributions of equity by NCI, net of transaction costs	-	-	-	2,492,031	2,492,031
Balance at 30 June 2019	1,981,032	(3,816,385)	224,511	3,254,946	1,644,104

	Issued Capital $	Retained Losses $	Reserves $	NCI $	Total Equity $
Balance at 1 July 2019	1,981,032	(3,816,385)	224,511	3,254,946	1,644,104
Loss after income tax expense for the period	-	(669,658)	-	1,311	(668,347)
Other comprehensive income	-	-	(176,419)	-	(176,419)
Total comprehensive income	-	(669,658)	(176,419)	1,311	(844,766)
Transactions with owners in their capacity as owners:					
Share based payments	-	-	291,498	-	291,498
Shares issued on share swap with Soar NCI	3,366,960	-	(110,703)	(3,256,257)	-
Transfer reserves to retained losses	-	(110,703)	110,703	-	
Contributions of equity by NCI, net of transaction costs	-	-	-	-	-
Balance at 30 June 2020	5,347,992	(4,596,746)	339,590	-	1,090,836

Statement of Cash Flows
For the year ended 30 June 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		633,737	267,826
Payments to suppliers and employees (inclusive of GST)		(1,699,253)	(1,217,110)
Other receipts		171,580	15,957
Receipts from ATO - Jobkeeper and R&D Rebates		628,227	-
Net cash used in operating activities		(265,709)	(933,327)
Cash flows from investing activities			
Disposal of Intangible Assets - Digital Assets		-	219,302
Payments for property, plant and equipment		(9,117)	(1,547)
Net cash used in investing activities		(9,117)	217,755
Cash flows from financing activities			
Transactions with non-controlling interest		-	1,696,200
Repayment of borrowings		-	(49,487)
Proceeds from borrowings		-	-
Net cash from financing activities		-	1,646,713
Net increase in cash and cash equivalents		(274,826)	931,141
Cash and cash equivalents at the beginning of the financial year		1,404,112	472,971
Cash and cash equivalents at the end of the financial period	4	1,129,286	1,404,112

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

Notes to the Financial Statements
Annual Report - 30 June 2020

Note 1. Significant accounting policies

Basis of preparation

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

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

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company'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 2.

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

New, revised or amending Accounting Standards and Interpretations adopted

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

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

Going Concern

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the normal course of business.

The Group incurred a net loss of $668,347 and experienced net cash outflows from operations of $265,708 for the period ended 30 June 2020. The Group has liabilities of $911,002 and cash on hand of $1,129,286 as at 30 June 2020.

The ability of the Group to continue as a going concern is dependent upon the success of the fundraising under a prospectus yet to be issued. This requirement gives rise to a material uncertainty that may cast significant doubt over the Group’s ability to continue as a going concern and therefore that it will be able to realise its assets and discharge its liabilities in the normal course of business, and at the amount stated in the financial report.
The directors believe that the Group will continue as a going concern for the following reasons:

• The Group plans to undertake a capital raise under a prospectus to raise $12,000,000 (before costs) with a minimum subscription requirement to raise at least $12,000,000 under a prospectus yet to be issued;

• The Group has historically demonstrated its ability to raise funds to satisfy its immediate cash requirements. Management have considered the future capital requirements of the Group and will consider all funding options as required.

• The Directors of Takor Group Limited have reason to believe that in addition to the cash flow currently available, additional funds from receipts are expected from the commercialisation of the Group’s products.

Accordingly, the directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis for the preparation of the financial report. Should the Group not achieve the matters as set out above, there is material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

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Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 22.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Takor Group Limited ('company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Takor Group Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

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

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

Where 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.

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

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

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

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

Revenue recognition
The consolidated entity recognises revenue as follows:

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

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

Sale of goods
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

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

Project Revenue

Project recenue relates to revenue to be recognised over time as the project is being completed. The Group recongises revenue from aerial mapping and digital imagery serices over time, using an imput method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group.

Subscription Services

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

Research and Development (R&D) Tax Incentive
R&D tax incentives from the government are recognised when received or when the right to receive payment is established.

Government grants
Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the costs that they are intended to compensate. This includes Cash Boost income received due to COVID-19 during the year.

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.

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Takor Group Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

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

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

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

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

Share-based payments
The Group has issued zero exercise price options to key management personnel and employees of the Group. Each share option converts into one ordinary share of Takor Group Limited on exercise. No amounts are paid or are payable by the recipient on receipt of the option. Options may be exercised at any time from the date of vesting to the date of their expiry.

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

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

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 60 days overdue) are considered indicators that the trade receivable may be impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

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

Notes to the Financial Statements
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Financial Instruments:
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk.
The consolidated entity's overall risk management program seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity maintains sufficient working capital in Australian Dollars and United States dollars as required for the level of activity of the business operations and its customers and suppliers.
Risk management is carried out by management and includes identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Market risk

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

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

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

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

Plant and equipment	2-7 years

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

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

Leases
At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use-asset and a corresponding liability are recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (i.e. with a remaining lease term of 12 months or less) and leases of low-value assets are recognised as an operating expense on a straight line over the term of the lease.

Initially the lease is measured at the present value of the lease payments still to be paid at the commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

The right-of-use-assets comprise the initial measurement of the corresponding lease liability, any lease payments made at or before the commencement date and any indirect costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use-assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest.
The Group has adopted AASB 16: Leases retrospectively with the adoption having no material effect on the basis that the net present value of remaining lease payments is minor and the resultant right-for-use-asset determined to be of low value.

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.

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

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

Superannuation expense
Contributions to superannuation plans are expensed in the period in which they are incurred.

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

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

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

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

Issued capital
Ordinary shares are classified as equity.

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

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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.

Dividends
Dividends are recognised when declared during the financial year and no longer at the discretion of the company.

Intangible assets
Digital assets
Digital assets are assets, including Ethereum, which use an open-source software-based online system where transactions are recorded in a public ledger (blockchain) using its own unit of account. Digital Assets are an emerging technology and asset class, and as such there are no specific accounting standards that cover the treatment, rather digital assets are assessed by applying existing accounting standards in conjunction with guidance released by the accounting standard setting bodies such as the IASB.
Management consider it appropriate to group digital assets into a single balance in the Consolidated Financial Statements and providing users with a reconciliation by category in the notes to the Financial Statements.
For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained below.

The Group consider that any digital asset that does not fall under the inventory or financial asset methodology and meet the recognition criteria (identifiable, controllable and capable of generation future economic benefits) are considered to intangible assets.

For digital assets that meet the criteria of AASB138: Intangible Assets, the Group measures digital assets at its fair value less costs to sell in accordance with the revaluation model (provided there is an active market), with increase in fair value being recognised in OCI and credited to a revaluation reserve, unless it reverses a revaluation deficit of the same asset previously recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the revaluation reserve. Digital assets classified as intangible assets are considered to be indefinite life intangible assets given their nature.

Reconciliation of Digital Assets
Digital assets are derecognised when the Group disposes of the asset or when the Group otherwise loses control and, therefore, access to the economic benefits associated with ownership of the digital asset.

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Patents and trademarks
Patent and trademark costs are expensed in the period in which they are incurred.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the company for the year reporting period ended 30 June 2020. The company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. 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.

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates, the impact of the Coronavirus (COVID-19) pandemic and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 9, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Digital assets
Management note that the topic of digital assets and the accounting for digital assets continues to be considered by the International Accounting Standards Board (IASB) and continues to monitors new comments and interpretations released by the Board and other standard setters from around the world.
In line with this, the Group has considered its position for the year ending 30 June 2020 and has determined that the Group's digital assets fall into the Intangible asset method (the method noted by the IASB in its most recent deliberations) and the Group continues to measure digital assets at fair value (unless otherwise disclosed and provided certain conditions are met) under the respective accounting standards.

Fair value of Digital Assets
Digital assets (including Ethereum) is measured at fair value using the quoted price in United States dollars on from a number of different sources with the primary being Coin Market Cap (www.coinmarketcap.com) at closing Coordinated Universal Time. Management considers this fair value to be a Level 1 input under the AASB 13 Fair Value Measurement fair value hierarchy as the price on the quoted price (unadjusted) in an active market for identical assets.
Unlisted digital assets are fair valued using a combination of Level 2 and Level 3 techniques.

Share-based payments
The Group has issued zero exercise price options to key management personnel and employees of the Group. Each share option converts into one ordinary share of Takor Group Limited on exercise. No amounts are paid or are payable by the recipient on receipt of the option. Options may be exercised at any time from the date of vesting to the date of their expiry.

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.

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

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

Note 3. Other income

	2020 $	2019 $
Sale of goods or services	629,587	179,546
Other income - Research and development tax benefits	546,706	289,705
Other income	5,442	10,000
	1,181,735	479,251

Disaggregation of revenue	2020 $	2019 $
Major Product lines		
Mappt	71,649	85,267
Mappt Military	44,210	78,932
Satelite Imagery	513,728	15,347
	629,587	179,546
Timing of revenue recognition		
Products transferred at a point in time	-	-
Products and services transferred over time	629,587	179,546
	629,587	179,546

Note 3a. INCOME TAX EXPENSE

	2020 $	2019 $
The components of the tax expense/(income) comprise:		
Current tax	-	-
Deferred tax	-	-
	-	-
(a) The prima facie tax on profits/(losses) from ordinary activities before income tax is reconciled to the income tax as follows:		
Loss for the year	(668,347)	(1,011,712)
Income tax benefit on operating loss at 27.5% (2019: 27.5%)	(183,795)	(278,221)
Non-deductible items		
Non-deductible expenditure	82,265	23,317
R&D expenditure	219,109	260,767
Other		
Temporary differences not brought to account		(16,809)
Tax losses previously not brought to account now utilised	(140,920)	(187,732)
R&D tax incentive	(77,829)	(107,781)
Tax losses not brought to account	101,170	306,459
Income tax attributable to operating income/(loss)	-	-

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Note 4. Current assets - cash and cash equivalents

	2020 $	2019 $
Cash at bank	1,129,133	1,403,968
Overdraft Accounts	-	(8)
Paypal	153	152
	1,129,286	1,404,112

Note 5. Current assets - trade and other receivables

	2020 $	2019 $
Trade Receivables	11,471	87,438
GST Receivable	2,753	2,711
	14,225	90,149

Note 6. Other receivable

	2020 $	2019 $
Research and development tax benefit	331,292	627,227
Loan - Kojai Pty Ltd	513	513
	331,805	627,740

Allowance for expected credit losses

The consolidated entity has not recognised any loss in profit or loss in respect of the expected credit losses for the year ended 30 June 2020 (30 June 2019: nil).

The consolidated entity has increased its monitoring of debt recovery as there is an increased probability of customers delaying payment or being unable to pay, due to the Coronavirus (COVID-19) pandemic. As a result, the calculation of expected credit losses has been revised as at 30 June 2020 and rates have increased in each category up to 6 months overdue. Management approach will remain conservative in assessing current and forecast credit conditions and when determining default rates on debtors' balances.

Notes to the Financial Statements
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Note 7. Property, plant & equipment	2020 $	2019 $
Motor Vehicles at cost	4,576	4,576
Less : accumulated depreciation	(3,917)	(3,697)
Office equipment at cost	60,490	55,311
Less : accumulated depreciation	(26,449)	(22,150)
Plant & Equipment at cost	95,984	92,047
Less : accumulated depreciation	(90,961)	(87,822)
	39,725	38,265

Movements in carrying amounts 2019	Motor Vehicles	Plant & Equipment	Office Equipment	Total
Balance – 1 July 2018	1,173	5,459	37,507	44,139
Additions	-	1,547	-	1,547
Depreciation expense	(293)	(2,782)	(4,346)	(7,422)
Balance – 30 June 2019	879	4,224	33,161	38,265

Movements in carrying amounts 2020	Motor Vehicles	Plant & Equipment	Office Equipment	Total
Balance – 1 July 2019	879	4,224	33,161	38,265
Additions	-	3,938	5,179	9,117
Depreciation expense	(220)	(3,138)	(4,299)	(7,657)
Balance – 30 June 2020	660	5,024	34,041	39,725

Note 7a. Intangible Assets

	2020 $	2019 $
Ethereum - Crypto Wallet	486,798	784,315
	486,798	784,315

	2020 $	2019 $
Opening Balance 1 July 2019	723,369	-
Net trading activity[1]	(60,152)	498,858
Revaluation	(176,419)	224,511
Impairment	-	-
Closing Balance	486,798	723,369

1 Net trading activity is the net purchase and sale of digital assets during the financial period.

Digital assets are Ethereum Coins, which use an open-source software based online system where transactions are recorded in a public ledger (blockchain) usin its own unit of account. Digital assets are emerging technology and asset class, and as such there are no specific accoutning standards that cover the treatment, rather digital assets are assessed by applying existing accounting standards in conjunction with guidance released by the accounting standard setting bodies such as the IASB.
Management consider it appropriate to group digital assets into a single balance in the Consolidated Financial Statements and providing users with a reconciliation by category in the notes to the Financial Statements. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained below.

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Digital Assets by Fair Value Hierarchy

Level	Description	AUD
Level 1	Level 1 fair value digital assets are those assets that are actively traded on a digital asset exchange or decentralised exchange for which there is an active market with sufficient volume.	$ 486,798
Level 2	Level 2 fair value digital assets are those assets measured at fair value but the market prices are not actively quoted and determined using a market matrix approach (AASB13.B7). This is most common for digital assets where an active trading pair does not existing with a FIAT currency but may exist for a trading pair such as Ethereum or Bitcoin which can then be measured using the level 1 input.	$ -
Level 3	Level 3 fair value digital assets are those assets carried at fair value where fair value has been determined by reference to the entity's own data and financial data provided by the project such as comparable projects, financial forecasts and equity transactions.	$ -

Note 8. Current liabilities – trade and other payables

	2020 $	2019 $
Trade Creditors	54,397	34,719
Accrued Expenses	285,845	296,986
ATO Payable	40,883	194,480
PAYG Withholding Payable	13,243	84,668
Superannuation Payable	24,161	41,116
Credit Cards	14,494	40,546
Other Payables	-	139
	433,023	692,654

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Note 9. Current liabilities - Provisions

	2020 $	2019 $
Employee entitlements	44,851	54,245
	44,851	54,245

Amounts not expected to be settled within the next 12 months

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The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the consolidated entity does not have an unconditional right to defer settlement. However, based on past experience, the consolidated entity does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

The following amounts reflect leave that is not expected to be taken within the next 12 months:

	Consolidated	
	2020 $	**2019 $**
Employee benefits obligation expected to be settled after 12 months	25,864	20,858
	25,864	20,858

Note 10. Borrowings

	2020 $	**2019 $**
Loan – Directors	7,263	0
Loan – Bone Medical Limited	400,000	400,000
	407,263	400,000

The Bone Medical Limited (formerly Botanix Pharmaceuticals Ltd) loan balance comprises a short-term unsecured loan provided by Bone Medical Limited which was previously classified as a convertible note, however on 25 July 2017 the terms were amended for the $400,000 principal amount to be repaid in cash. The loan is interest-free and is intended to be repaid in cash following the Company completing its IPO and listing on the ASX.

Note 11a. Equity - issued capital	**Date**	**#**	**$/Share**	***$***
Opening Balance 1 July 2018		42,073,491		$ 1,951,564
Shares Issued for services	30-May-19	147,342	$ 0.20	$ 29,469
Closing balance 30 June 2019		42,220,833		$ 1,981,033
Opening Balance 1 July 2019		42,220,833		$ 1,981,033
Share Purchase - Soar Shareholders	1-Apr-20	3,293,028	$ 0.98	$ 3,366,960
Closing balance 30 June 2020		45,513,861		$ 5,347,992

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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

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Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 30 June 2019 Annual Report.

Note 11b. Reserves

	2020$	**2019 $**
Revaluation Surplus/(Deficit) - Ethereum	48,092	224,511
Share Based Payments (Note 18)	291,498	-
	339,590	224,511

Note 11c. Equity - Accumulated profits/(retained losses)

	2020	***2019***
	$	***$***
(Retained losses) at the beginning of the financial year	(3,723,918)	(2,717,197)
Loss after income tax expense for the period	(735,114)	(1,006,721)
Dividends provided for or paid	-	-
Accumulated profits(retained losses) at the end of the financial period	(4,459,032)	(3,723,918)

Note 12. Remuneration of auditors

During the financial period the following fees were paid or payable for services provided by BDO Audit (WA) Pty Ltd, the auditor of the Company, its network firms and unrelated firms:

	2020 $	**2019 $**
Audit services – BDO Audit (WA) Pty Ltd		
Audit or review of the financial statements	$ 14,000	$ 10,000

Note 13. Commitments

There were no commitments as at 30 June 2020 (30 June 2019: nil).

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Note 14. Contingent liabilities

There were no contingent liabilities as at 30 June 2020 (30 June 2019: nil).

Note 15. Dividends	**2020 $**	**2019 $**
Dividend paid	-	-
	-	-

No dividends have been paid or declared for payment during the year and at the date of this report (2019: nil).

Note 44. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity.

Market risk

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

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

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	2020	2019	2020	2019
Consolidated				
US dollars	$ 259,259	$ 315,647	-	-

Price risk
The group’s exposure to equity securities price risk arises from digital assets held by the group and classified in the balance sheet at fair value through other comprehensive income (FVOCI) (Note 7(a)).
The majority of the group’s digital assets are actively traded on a digital asset exchange or decentralised exchange for which there is an active market with sufficient volume.

Interest rate risk
The consolidated entity's main interest rate risk arises from short term borrowings in the form of credit card facilities. As the interest rate is fixed, there is no interest rate risk.

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Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

The consolidated entity has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the consolidated entity based on recent sales experience, historical collection rates and forward-looking information that is available. As disclosed in Note 6, due to the Coronavirus (COVID-19) pandemic, the calculation of expected credit losses has been revised as at 30 June 2020 and rates have increased in each category up to 6 months overdue.

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

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

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

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The bank overdraft facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time.

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

Consolidated - 2020	Weighted average interest rate %	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Non-derivatives						
Non-interest bearing						
Trade payables	-	54,397				54,397
Other payables	-	371,396				371,396
Loan - Bone Medical	-	400,000				400,000
Interest-bearing - fixed rate						
Credit card facilities	19.00%	14,494				40,546
Total non-derivatives						

Consolidated - 2019	Weighted average interest rate %	1 year or less	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Remaining contractual maturities
Non-derivatives						
Non-interest bearing						
Trade payables	-	34,717				34,717
Other payables	-	617,389				617,389
Loan - Bone Medical	-		400,000			400,000
Interest-bearing - fixed						
Credit card facilities	19.00%	40,546				40,546

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

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Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.
The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

Note 17. Events after the reporting period

On 20th January 2021 Takor Group Limited signed a mandate with Cannacord Genuity who will act as lead manager for a proposed IPO capital raising for an issue of new fully paid ordinary shares to raise a minimum $12,000,000.

On 29th January 2021 David Patrick Alexander Singleton was appointed as Chairperson.

Due to the volatile nature and the materiality of the digital assets held, we disclose the impact of changes in the value of digital assets held by the Group as at the close date of the 22 March 2021:

Coin Symbol	AUD Spot Price at 30 June 2020	AUD Spot Price at 22 March 2021	AUD Impact
ETH	$328.54	$2,215.26	2,799,892

Note 18. Reconciliation of loss after income tax to net cash from operating activities

	2020 $	2019 $
Adjustments for:		
Loss after income tax expense for the period	(668,347)	(1,011,712)
Adjustments for:		
Depreciation of plant & equipment	7,657	7,422
Share based payment	291,498	-
Non-cash settlement of expenses	60,152	
(Increase)/Decrease in trade receivables	4,150	88,280
(Increase)/Decrease in other assets	295,935	(283,748)
Increase/(Decrease) in other payables	(252,366)	245,274
Increase/(Decrese) in provisions	(4,388)	21,157
	(265,709)	(933,327)

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Note 19. Share-based payments

On 19/12/2019, 1,165,991 zero exercise price options (ZEPOS) were issued to key management personnel and other employees. The ZEPOS have been valued using an option pricing model, which has derived a value of $0.25 per option due to the $0 exercise price input. As at the grant date, the options were valued at $291,498 based on the underlying fair value of $0.25 per option.

At the discretion of the Board, options were granted to certain key management personnel of the consolidated entity. The options are issued for nil consideration and are granted in accordance with performance guidelines established by the Board.

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

Grant Date		Expiry Date	Exercise Price	Balance at the start of the year	Granted	Exercised	Balance at the end of the year	Fair Value
19/12/2019	Employees/ Consultants	19/12/22	$0.00	-	728,492	-	728,492	$ 182,123
19/12/2019	Director - Guy Perkins	19/12/22	$0.00	-	291,666	-	291,666	$ 72,917
19/12/2019	Director - Philip Carulli	19/12/22	$0.00	-	145,833	-	145,833	$ 36,458
					1,165,991		1,165,991	$ 291,498

Note 20. Key management personnel disclosures

Compensation

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

	Consolidated	
	2020 $	**2019 $**
Short-term employee benefits	153,860	301,243
Post-employment benefits	14,617	28,618
Long-term benefits	-	-
Share-based payments	109,375	-
	277,852	329,861

Note 21. Related party transactions

Parent entity

Takor Limited Group Ltd is the parent company

Subsidiaries

Interests in subsidiaries are set out in note 23

Key management personnel

Disclosures relating to key management personnel are set out in note 20.

Transactions with related parties

The following transactions occurred with related parties: accounting services provided by Optima Partners, a company of which Philip Carulli is a director.

	Consolidated	
	2020 $	**2019 $**
Payment for goods and services:		
Payment for services from associate	3,720	5,020
	3,720	5,020

Notes to the Financial Statements
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Note 22. Parent entity information

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

Statement of profit or loss and other comprehensive income

	2020 $	2019 $
Profit after income tax	(781,386)	(972,897)
Total comprehensive income	(781,386)	(972,897)

Statement of financial position	2020 $	2019 $
Total current assets	504,519	1,115,211
Total assets	2,014,477	1,153,476
Total current liabilities	878,659	2,925,631
Total liabilities	878,659	2,925,631
	1,135,818	(1,772,155)
Equity		
Issued capital	5,347,992	1,950,132
Reserves	291,498	-
Retained losses	(4,503,672)	(3,722,287)
Total equity	1,135,818	(1,772,155)

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

The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others. No deficiencies of assets exist in any of these subsidiaries

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2020 and 30 June 2019.

Capital commitments - Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2020 and 30 June 2019

Significant accounting policies

The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Notes to the Financial Statements

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Note 23. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2020	2019
		%	%
Soar Australia Pty Ltd	Australia	100%	88.63%
Soar Sg Pte. Ltd.	Singapore	100%	100%

Notes to the Financial Statements
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Directors’ Declaration

In the Directors' opinion:

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

- The attached financial statements and notes thereto comply with the Accounting Standards as described in note 1 to the consolidated financial statements and other mandatory professional reporting requirements;

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

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

On behalf of the Directors

Amir Farhand
Director

Philip Carulli
Director

Date 23 March 2021
Perth

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DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF TAKOR GROUP LIMITED

As lead auditor of Takor Group Limited for the year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Takor Group Limited and the entities it controlled during the period.

Ashleigh Woodley

Director

BDO Audit (WA) Pty Ltd

Perth, 23 March 2021

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INDEPENDENT AUDITOR'S REPORT

To the members of Takor Group Limited

Report on the Audit of the Financial Report

Opinion

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

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

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

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

Basis for opinion

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

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

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

Material uncertainty related to going concern

We draw attention to Note 1 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Directors' report, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar3.pdf

This description forms part of our auditor's report.

BDO Audit (WA) Pty Ltd

BDO

Ashleigh Woodley

Director

Perth, 23 March 2021