8COMMON LIMITED & ITS CONTROLLED ENTITIES
ACN 168 232 577

ASX APPENDIX 4E
RESULTS FOR ANNOUNCEMENT TO THE MARKET
PRELIMINARY FINAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019

1. Reporting Period

Current Reporting Period - For the year ended 30 June 2019
Previous Reporting Period – For the year ended 30 June 2018

2. Results for announcement to the market

	June 2019 ($)	June 2018 ($)	Change ($)	Change (%)
Revenue from continuing operations	3,474,175	2,638,401	835,774	32%
Other Income from R&D Tax Offset	226,747	-	(226,747)	NA
Net (loss) after tax for the period attributable to members from continuing operations	(1,238,966)	(1,290,488)	51,522	(4%)
Profit from discontinued operations after tax	-	307,507	(307,507)	NA
Net Combined loss after tax for the year	(1,238,966)	(982,981)	(255,985)	26%

EPS	**June 2019**	**June 2018**
Basic Loss per share	(0.005) cents per share	(1.00) cents per share
Diluted Loss per share	(0.005) cents per share	(1.00) cents per share

NET TANGIBLE ASSET BACKING	**June 2019**	**June 2018**
Net tangible assets per share	0.04 cents per share	0.04 cents per share

3. Financial Results

This report should also be read in conjunction with any public announcements made by 8common in accordance with the continuous disclosure requirements arising under the Corporations Act 2001 and ASX Listing Rules.

The information provided in this report contains all the information required by ASX Listing Rule 4.3A.

4. Dividends

The Company has not paid dividends and is not proposing to pay dividends.

5. Statement of profit or loss and other comprehensive income with notes

Refer to attached unaudited financial report.

6. Statement of financial position with notes

Refer to attached unaudited financial report.

7. Statement of changes in equity

Refer to attached unaudited financial report.

8. Statement of cash flows

Refer to attached unaudited financial report.

9. Segment results

Refer to attached unaudited financial report.

10. Details of entities over which control has changed

During the financial year ended 30 June 2019, the consolidated group did not disposed of any entities.

A list of wholly owned entities ultimately controlled by 8common Limited as at 30 June 2019 is as follows:

Subsidiary	Country of Incorporation
Expense8 Pty Limited (previously Business Information Services (NSW) Pty Ltd)	Australia
Payhero Holdings Pty Ltd	Australia

11. Details of associates and joint venture entities

The consolidated entity had no associates or joint venture entities during the year ended 30 June 2019.

12. Other factors

Refer to attached unaudited financial report.

13. Status of audit and description of likely disputes or qualifications

This preliminary final report is in the process of being audited. No matters have arisen which would result in a dispute or qualification at this time. The Auditor is expected to issue an unmodified Audit opinion with an emphasis of matter regarding the Going Concern basis of accounting.

8common Limited and its Controlled Entities
30 June 2019
Unaudited Summary Financial Report

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 $	2018 $
CONTINUING OPERATIONS			
REVENUE	2	3,474,175	2,638,401
OTHER INCOME FROM R&D TAX OFFSET		226,747	-
EXPENSES FROM CONTINUING OPERATIONS			
Cost of services		(1,037,802)	(467,281)
Employee and contractor costs		(2,292,155)	(1,882,099)
Occupancy expenses		(79,499)	(131,442)
Administration expenses		(275,777)	(255,929)
Computer software/ maintenance		(155,602)	(73,356)
Accounting and legal costs		(114,235)	(163,961)
Marketing costs		(8,306)	(6,557)
Borrowing costs		(20,979)	(106,517)
Depreciation and amortisation		(313,943)	(638,815)
Impairment losses		(235,991)	-
Share based payments		(263,629)	-
Other expenses from ordinary activities		(127,826)	(66,366)
NET (LOSS) BEFORE INCOME TAX		**(1,224,921)**	**(1,153,922)**
Income tax benefit (expense)		(14,145)	(136,566)
NET (LOSS) FOR THE YEAR FROM CONTINUING OPERATIONS		**(1,238,966)**	**(1,290,488)**
DISCONTINUED OPERATIONS			
Profit from discontinued operations after tax	3	-	307,507
NET (LOSS) FOR THE YEAR		**(1,238,966)**	**(982,981)**
Other comprehensive income			
Other comprehensive income – translation of foreign subsidiaries		-	56,659
Reserve adjustment		478,750	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		**(760,216)**	**(926,322)**
Net (loss) attributable to:			
Owners of parent entity		(760,216)	(930,147)
Non-controlling interest		-	3,825
		(760,216)	**(926,322)**
Earnings per share			
Basic loss per share – cents per share		(0.005)	(1.16)
Diluted loss per share – cents per share		(0.005)	(1.16)

The accompanying notes form part of these unaudited summary financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS 30 JUNE 2019

	Note	30 June 2019 $	30 June 2018 $
Current assets			
Cash		1,033,383	533,594
Trade and other receivables		335,755	337,404
Other assets		15,784	55,813
Other receivables	4	-	3,180,000
Total current assets		1,384,922	4,106,811
Non-current assets			
Intangible assets	5	2,172,571	2,716,650
Available for sale financial asset	4	3,575,379	-
Deferred consideration	4	388,000	388,000
Property, plant and equipment		10,533	38,100
Deferred tax assets		182,469	182,469
Total non-current assets		**6,328,952**	**3,325,219**
Total assets		**7,713,874**	**7,432,030**
Current liabilities			
Trade and other payables	6	925,110	1,067,353
Unearned revenue		371,097	70,814
Provisions		157,169	75,045
Tax liabilities		99,395	130,087
Total current liabilities		**1,552,771**	**1,343,299**
Non-current liabilities			
Provisions		-	48,391
Total non-current liabilities		**-**	**48,391**
Total liabilities		**1,552,771**	**1,391,690**
Net assets		**6,161,103**	**6,040,340**
Shareholders' equity			
Contributed equity	7	9,959,064	9,341,714
Accumulated losses		(4,540,340)	(3,301,374)
Reserves		742,379	-
Total shareholders' equity		**6,161,103**	**6,040,340**

The accompanying notes form part of these unaudited summary financial statement

8common Limited and its Controlled Entities
30 June 2019
Unaudited Summary Financial Report

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019

	Contributed Equity	Retained earnings / (Accumulated Losses)	Reserves	Revaluation Reserves	Share based payment	Non-Controlling Interest	Total
	$	$	$	$	$	$	$
Opening Balance	**7,038,326**	**(2,556,084)**	**184,857**	**-**	**-**	**-**	**4,667,099**
Comprehensive income							
Loss for the year	-	(986,806)	-	-	-	3,825	(982,981)
Other comprehensive income	-	-	56,659	-	-	-	56,659
Total comprehensive income	**-**	**(986,806)**	**56,659**	**-**	**-**	**3,825**	**(926,322)**
Transfer to retained earnings of reserves on disposal of foreign denominated group		**241,516**	**(241,516)**	-	-		-
	-	**-**	**-**	**-**	**-**	(3,825)	(3,825)
Derecognition of non-controlling interest upon disposal of Realtors8 Pte Ltd	2,394,388	-	-	-	-	-	2,394,388
Issue of shares	(91,000)	-	-	-	-	-	(91,000)
BALANCE AT 30 JUNE 2018	**9,341,714**	**(3,301,374)**	**-**	**-**	**-**	**-**	**6,040,340**
Comprehensive income							
Loss for the year	-	(1,238,966)	-	-	-	-	(1,238,966)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income / (loss)	**-**	**(1,238,966)**	**-**	**-**	**-**	**-**	**(1,238,966)**
Asset revaluation reserve	**-**	**-**	-	478,750	-	-	478,750
Issue of shares	617,350	-	-	-	-	-	617,350
Share based payment	-	-	-	-	263,629	-	263,629
BALANCE AT 30 JUNE 2019	**9,959,064**	**(4,540,340)**	**-**	**478,750**	**263,629**	**-**	**6,161,103**

The accompanying notes form part of these unaudited summary financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	2019 $	2018 $
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers	4,142,119	4,190,977
Government grants and tax incentives	225,000	56,454
Interest received	47	567
Interest paid	-	(166,036)
Payments to suppliers and employees	(4,483,519)	(4,521,780)
Income tax paid	(14,145)	(63,990)
Net cash provided by / (used in) operating activities	(130,498)	(503,808)
CASH FLOW FROM INVESTING ACTIVITIES		
Payment for purchase of non-current assets	-	(10,000)
Proceeds from 10% Sale of Realtors8 Pte Ltd	-	210,809
Other investing activities	30,400	-
Net cash used in investing activities	30,400	200,809
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of ordinary shares	-	1,467,329
Proceeds from Options	599,887	354,265
Proceeds from convertible notes	-	-
Transaction costs related to issue of shares, convertible notes or options	-	(115,097)
Proceeds from borrowings	-	-
Repayment of borrowings	-	(1,236,891)
Net cash provided by financing activities	**599,887**	**469,606**
NET INCREASE IN CASH HELD	499,789	166,607
Cash and cash equivalent at beginning of financial year	533,594	382,562
Effects of changes in exchange rates	-	(15,575)
CASH AT CASH EQUIVALENTS AT THE END OF THE YEAR	**1,033,383**	**533,594**

The accompanying notes form part of these unaudited summary financial statements

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preliminary financial report has been prepared in accordance with ASX listing rule 4.3A and the disclosure requirements of ASX Appendix 4E.

The consolidated financial statements of 8common Limited (the Company or Parent Entity) as at and for the year ended 30 June 2019 comprise the Company and its subsidiaries (Consolidated Group or Group).

Except as otherwise stated, the financial information has been prepared in accordance with the significant accounting policies disclosed below, which the directors have determined are appropriate to present for inclusion in an unaudited financial report in Australia.

The financial information has been prepared on an accruals and historical cost basis and is presented in Australian dollars.

a) Going Concern

The Group has incurred a net loss after tax for the year ended 30 June 2019 of $1,238,966 (2018: loss of $1,290,488), with the cash outflow used in operating activities of $130,498 (2018: cash outflows of $503,808). As at 30 June 2019, the Group has a net current asset deficit position of $167,849 (30 June 2018: $2,763,512) due to unearned revenue of $371,097 in current liabilities which will be recognised over the coming period.

The continuing viability of the Group and its ability to continue as a going concern and meet its debts and commitments as they fall due is dependent upon the Group being successful in:

- generating sufficient cash surpluses from operations resulting from meeting revenue forecasts
- selling the investment in Cloudaron Shares to create liquidity should the need arise
- receiving cash proceeds from 8common option holders exercising their options (the number of options as at 30 August 2019 is 27,627,177 with an estimated exercise value of $966,950 should all the options be exercised)

The Directors believe there are reasonable grounds to believe that the Group will be able to continue as a going concern after consideration of the following factors:

- The current business development prospects have improved, with 2H of FY2019 showing significant improvements in both revenue (1H $1.47m vs 2H $2.0m) and cash receipts (1H $1.56m vs 2H $2.59m);
- The strong revenue and cash receipt performance in 2H of FY2019 resulted in the group achieving a cumulative operational cash surplus of $453,000 during the period;
- The has been a significant reduction of debt, with no long-term debt in the business which frees up working capital;
- Sale proceeds in the form of Cloudaron shares from the sale of Realtors8 group and option holders exercising their options provides another avenue of liquidity should the business require it;
- The Directors remain committed to the long-term business plan that is contributing to improved results as the business progresses; and
- The budgets and forecasts reviewed by the Directors for the next twelve months anticipate the business will continue to produce improved results.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Going Concern (cont)

Furthermore, the Directors have the option of seeking further funding to support working capital and the business development activities of the Group by way of equity or debt finance. The Directors are of the opinion that these factors will allow the Group to focus on growth areas and on improving profitability. The Directors continue to monitor the situation closely and are focused on taking all measures necessary to optimise the Group's performance.

The Directors believe that the above indicators demonstrate that the Group will be able to pay its debts as and when they become due and payable and to continue as a going concern and be in a position to realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. Accordingly, the Directors also believe that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

In the event that the Group does not achieve the conditions stated by the Directors, the ability of the Company and therefore the Group to continue as a Going Concern may be impacted and therefore 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 report. 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 the Group and company not continue as going concerns.

b) Significant accounting judgments, estimates and assumptions

Management has identified the following critical accounting policies for which significant judgments, estimates and assumptions are made. Actual results may differ from these estimates under different assumption and conditions and may materially affect the financial results or the financial position reported in future years.

Key estimates

i. Impairment – Intangibles

The Group assesses impairment at the end of each reporting year by evaluating conditions and events specific to the Group that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations, which incorporate various key assumptions.

The impairment models for intangible asset balances incorporate growth rates in Australian revenues and expenses have been factored into valuation models for the next five years on the basis of management's expectations regarding the Group's continued ability to capture market share from competitors. The rates used incorporate an allowance for inflation. Pre-tax discount rates have been used in all models. These assets are considered to be sensitive to these assumptions and is carried in the statement of financial position at a written-down value of $2,172,650 (2018: $2,716,650). The blended average revenue growth rate of 10.9% has been used for the periods 2020 to 2023. A terminal growth rate of 2.5% has been used. Goodwill impairment is considered sensitive to the 2019 to 2023 growth rate assumptions.

ii. Provision for impairment of receivables

The directors have considered the recoverability of all trade receivable balances and they are of the opinion that no impairment provision is necessary. This estimate is based on their judgement.

iv. Intellectual Property – Software useful lives

Expense8 and Perform8 Software is recognised at the cost of acquisition. These assets are deemed to have an infinite useful life, however the directors based on their estimates and judgements have assessed a useful life of 5 years and are carried at cost less accumulated amortisation and any impairment losses.

v. Capitalised Development Costs

Judgment is required in distinguishing the research and development phases of a new software development project. It is also required in determining whether the recognition requirements for the capitalisation of development costs are met. After capitalisation, management monitors whether the recognition requirements continue to be met and whether there are any indicators that capitalised costs may be impaired.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

b) Significant accounting judgments, estimates and assumptions (cont)

Capitalised developments costs –- as disclosed in Note 5 'Intangible Assets' of $932,663 (2018: $1,054,026) have been capitalised on the basis that management expects future economic benefits to be derived by the Group. Capitalised development costs are being amortised over a period of 5 years, which is commensurate with managements' expectations as to the period of expected future economic from the product development.

c) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits available on demand with banks, other short-term highly liquid investments with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are reported within short-term borrowings in current liabilities in the statement of financial position.

d) 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 year 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.

e) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

The carrying amount of property, plant and equipment is reviewed annually by officers of the 8common Group to ensure it is not in excess of the recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employed and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

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

f) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of 8common Limited and all of the subsidiaries. Subsidiaries are entities the parent controls. The parent controls an entity when it 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 over the entity.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
f) Principles of Consolidation (cont)

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured in each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transactions and balances

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

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

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

Group companies

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

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

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

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

f) Principles of Consolidation (cont)

Goodwill

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

- the consideration transferred;
- any non-controlling interest (determined under either the full goodwill or proportionate interest method); and
- the acquisition date fair value of any previously held equity interest;
- over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements.

Fair value re-measurements in any pre-existing equity holdings are recognised in profit or loss in the year in which they arise. Where changes in the value of such equity holdings had previously been recognised in other comprehensive income, such amounts are recycled to profit or loss.

Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually and is allocated to the Group's cash-generating units or groups of cash-generating units, representing the lowest level at which goodwill is monitored being not larger than an operating segment. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity disposed.

Changes in the ownership interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions and do not affect the carrying amounts of goodwill.

The accounting for the business combinations is considered provisional.

Intangibles Other than Goodwill

Intellectual Property – Software

Software is recognised at cost of acquisition. These assets are deemed to have an infinite life, however the directors have assessed a useful life of five (5) years and are carried at cost less accumulated amortisation and any impairment losses. These assets will be assessed for impairment on an annual basis.

Development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability to use or sell the asset;
- How the asset will generate future economic benefits;
- The availability of resources to complete the asset;
- The ability to measure reliably the expenditure during development; and
- The ability to use the intangible asset generated

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Travel and Expense Management product development costs are amortised over the period of expected future benefit being 5 years. Amortisation is recorded in expenses. During the period of development, the assets are tested annually for impairment.

g) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the 8common Group prior to the end of the year and which are unpaid. The amounts are unsecured and are paid in accordance with supplier terms.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

h) Financial Liabilities

Convertible notes

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings and subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

i) Employee Entitlements

Short-term employee benefits

Provision is made for the Group's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Group's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Group's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Group's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Group does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Defined contribution superannuation benefits

All Australian employees of the Group receive defined contribution superannuation entitlements, for which the Group pays the fixed superannuation guarantee contribution (currently 9.5% of the employee's average ordinary salary) to the employee's superannuation fund of choice. All contributions in respect of employees' defined contribution entitlements are recognised as an expense when they become payable. The Group's obligation with respect to employees' defined contribution entitlements is limited to its obligation for any unpaid superannuation guarantee contributions at the end of the reporting period. All obligations for unpaid superannuation guarantee contributions are measured at the (undiscounted) amounts expected to be paid when the obligation is settled and are presented as current liabilities in the Group's statement of financial position.

j) Taxation

The income tax expense/(income) for the year comprises current income tax expense/(income) and deferred tax expense/(income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities/(assets) are measured at the amounts expected to be paid to/(recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense/(income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

NOTE 1: BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

j) Taxation (cont)

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability. With respect to non-depreciable items of property, plant and equipment measured at fair value and items of investment property measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax Consolidation

8common Limited and its wholly owned Australian subsidiary (Expense8 Pty Limited (formerly Business Information Services (NSW) Pty Limited)) have formed an income tax consolidated group under tax consolidation legislation as of 3 March 2014. Each entity in the 8common Group recognises its own current and deferred tax assets and liabilities. Such taxes are measured using the ‘stand-alone taxpayer’ approach to allocation. Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The 8common Group notified the Australian Taxation Office that it had elected to form an income tax consolidated group as of 3 March 2014.

k) 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.

l) Revenue

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed.

Annual license fees for Australian revenue streams are recognised as revenue upon invoice date as all relevant and significant activities to ensure continued service and functionality of the product have been performed by the company.

Interest revenue is recognised using the effective interest method.

All revenue is stated net of the amount of goods and services tax.

(m) Consumption Taxes

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the statement of financial position.

NOTE 2 OPERATING SEGMENTS

The Group has one (1) reportable segment, as described below, which is the groups strategic business unit. The Group has identified its business unit based on internal reports that are reviewed on a monthly basis and used by the executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The following summary describes the operations in each of the Group's reportable geographic segments:

- Productivity & Performance (including Expense8 and Perform8): Expense8 is a Travel & Expense management software solution that manages and streamlines the end-to-end processing of employee-generated expenses. By using Expense8, clients' administration of expenses charged to corporate credit cards is made easier. Perform8 is an advanced survey and action planning solution that diagnoses and prioritises areas for improvement across your business. Its unique methodology drives continuous improvement throughout your organisation, maximising employee engagement and boosting productivity levels.

Adjusted EBITDA refers to an Earnings before Interest Tax Depreciation and Amortisation position adjusting for one off transactions that are not of a recurring nature.

The revenue and net profit figures below are based on the full financial year.

Year ended June 2018	**Performance & Productivity**	**Realtors8**	**Head Office**	**Total**
	$	**$**	**$**	**$**
Total segment revenue	2,638,401	1,217,602	-	3,858,003
Net Profit / (Loss) after tax for the Year	710,811	50,994	(1,864,632)	(1,102,827)
Adjusted EBITDA	1,488,808	74,111	(1,864,632)	(301,713)
Total segment assets				
30 June 2018	3,101,068	-	4,358,863	7,459,931
Total segment liabilities				
30 June 2018	904,132	-	378,791	1,282,923

Year ended June 2019	**Performance & Productivity**	**Realtors8**	**Head Office**	**Total**
	$	**$**	**$**	**$**
Total segment revenue	3,474,175	-	226,373	3,700,923
Net Profit / (Loss) after tax for the Year	1,434,678	-	(2,673,644)	(1,238,966)
Adjusted EBITDA	1,749,621	-	(2,139,900)	(390,279)
Total segment assets				
30 June 2019	4,128,496	-	3,585,378	7,713,874
Total segment liabilities				
30 June 2019	1,165,774	-	386,997	1,552,771

NOTE 3: DISCONTINUING OPERATIONS

During the financial year ended 30 June 2018, the consolidated group disposed Realtors8 Pte Ltd, a content management system (CMS) and customer relationship management (CRM) solution for real estate agents, thereby discontinuing its operations in this business segment.

On 1 July 2017, a Sale and Purchase Agreement was signed to sell 10% of Realtors8 Pte Ltd (completion finalised on 6 November 2017), and the remaining 90% of Realtors8 Pte Ltd sold on 16 February 2018, with the completion being finalised on 30 June 2018.

The financial performance of the discontinued operation, which is included in profit/(loss) from discontinued operations per the statement of comprehensive income, is as follows:

	2019 $	2018 $
Revenue	-	1,217,602
Expenses	-	(1,173,613)
Profit before income tax	-	43,989
Income tax (expense)/benefit	-	7,005
Net profit for the year	-	50,994
Profit/(loss) attributable to owners of the parent entity	-	47,169
Profit/(loss) attributable to non-controlling interest	-	3,825
	-	50,994
Profit/(loss) on sale before income tax	-	260,338
Income tax expense	-	-
Profit/(loss) on sale after income tax	-	260,338
Total profit/(loss) from discontinued operation attributable to owners of the parent entity	-	307,507
Net cash inflow/(outflow) from operating activities	-	161,180
Net cash inflow/(outflow) from investing activities	-	-
Net cash inflow/(outflow) from financing activities	-	-
Net decrease in cash generated from discontinued division	-	161,680

NOTE 4 CONSIDERATION FROM SALE OF REALTORS8 PTE LTD

	Note	2019 $	2018 $
Other receivables	(i)	-	3,180,000
Available for sale financial asset	(ii)	3,575,379	-
Deferred consideration	(iii)	388,000	388,000
		3,963,379	3,568,000

Note:

As part of the sale and purchase agreement dated 15 February 2018 of the remaining 90% of Realtors8 Pte Ltd sale to Cloudaron Group Berhad (listed on Bursa Malaysia CLOUD:MK), a total consideration of SGD$4,230,000 was agreed to be paid in 2 tranches as follows:

(i) Tranche 1: Approximately A$3.18 million vide the issuance of 39,413,450 shares of Cloudaron Group Berhad. This was booked accordingly as a receivable as at 30 June 2018 as the sale was completed on that date. The shares were received on the 7th of August 2018; and

(ii) This amount relates to the fair value of the shares held in Cloudaron Group Berhad as at 30 June 2019.

(iii) Tranche 2: Upto A$1.05 million vide the issuance of 13,013,875 shares, subject to the EBITDA Guarantee and adjustments in accordance with the terms of the Realtors8 SPA. The EBITDA Guarantee provided by 8common is that the combined EBITDA of Realtors8 Group for the FYE 31 March 2019 and 31 March 2020 shall be at least SGD$1,050,000. For illustrative purposes, if the if EBITDA achieved for the FYE 2019 and FYE 2020 is SGD$900,000, then shares in Cloudaron will be issued to the value of SGD$900,000 to 8common Limited.

NOTE 5 INTANGIBLE ASSETS

	Note	30 June 2019	30 June 2018
		$	$
Goodwill arising on acquisition of Business Information Services (NSW) Pty Limited		1,225,108	1,225,108
Total Goodwill		**1,225,108**	**1,225,108**
Trademark for Expense8 & 8common		4,800	4,800
Total Trademarks		**4,800**	**4,800**
Intellectual property – Expense8		833,000	833,000
Less: accumulated amortisation		(833,000)	(680,284)
		-	152,716
Intellectual property – Perform8		900,000	900,000
Less: accumulated amortisation		(900,000)	(630,000)
		-	270,000
Intellectual property – Payhero		10,000	10,000
Less: accumulated amortisation		-	-
		10,000	10,000
Development Costs	(i)	1,333,681	1,427,413
Less: accumulated amortisation		(401,018)	(373,387)
		932,663	1,054,026
Total Intellectual Property & Development Costs		**947,542**	**1,486,742**
Total Intangible Assets		**2,172,650**	**2,716,650**

Note:

(i) Travel and Expense Management product development costs are amortised over the period of expected future benefit being 5 years. Amortisation is recorded in expenses. During the period of development, the assets are tested annually for impairment.

NOTE 6 TRADE & OTHER PAYABLES

	30 June 2019	30 June 2018
	$	$
Unsecured liabilities:		
Trade payables	351,920	84,314
Sundry payables and accrued expenses	347,578	461,815
Amounts payable to related parties	103,136	115,945
Australian Tax Office - GST & PAYG payable	122,476	372,513
	925,110	1,034,587

NOTE 7: CONTRIBUTED EQUITY

	Date	Price	No.	$
Balance as at 30 June 2018			**136,130,136**	**9,341,714**
Shares issued	20 July 2018	$0.035	20,000	700
Shares issued	2 November 2018	$0.035	9,599,500	335,983
Shares issued	9 May 2019	$0.035	177,994	6,230
Shares issued	24 May 2019	$0.035	1,642,500	57,488
Shares issued	6 June 2019	$0.035	1,440,167	50,406
Shares issued	20 June 2019	$0.035	651,448	22,801
Shares issued	28 June 2019	$0.035	4,106,951	143,743
		Total	**17,638,560**	**617,350**
Balance as at 30 June 2019			**153,768,696**	**9,959,064**

NOTE 8: LOSS PER SHARE

	30 June 2019	30 June 2018
Weighted average number of ordinary shares	142,787,945	84,957,077
Consolidated net (loss) after tax	(1,238,966)	(846,314)
Basic and diluted Loss per share (cents)	(0.005)	(1.00)

NOTE 9: EVENTS SUBSEQUENT TO REPORTING DATE

There were no material subsequent events post the reporting date.