ServTech Global Holdings Limited

ASX : SVT   ABN 93 614 814 041

ANNUAL REPORT 2019

CONTENTS

CORPORATE DIRECTORY

Directors	Mr Gianmarco Biagi – Managing Director Mr Lorenzo Biagi – Executive Director Mr Umberto (Bert) Mondello - Non-Executive Chairman Mr Gianmarco Orgnoni - Non-Executive Director Mr Derek Hall - Non-Executive Director
Company Secretary	Mr Derek Hall
Registered Office	Suite 1, Ground Floor 437 Roberts Road Subiaco WA 6008
Principal Place of Business	Suite 1, Ground Floor 437 Roberts Road Subiaco WA 6008 Phone: +61 8 6380 2555 Website: www.servtechglobal.com.au
Securities Exchange Listing	Australian Securities Exchange (ASX) ASX Code: SVT
Share Registry	Automic Registry Services Level 2, 267 St Georges Terrace PERTH WA 6000 Phone: +61 8 9324 2099 Email: hello@automic.com.au
Auditor	Criterion Audit Pty Ltd PO Box 2138 SUBIACO WA 6904
Solicitors	Steinepreis Paganin Level 4, The Read Buildings 16 Milligan Street Perth WA 6000

DIRECTORS' REPORT

The Directors of ServTech Global Holdings Limited (the **Company, Group** or **SVT**) present their report on the consolidated entity for the year ended 30 June 2019. The Company was incorporated on 14 September 2016. References to the results of the Group in this financial report for the year ended 30 June 2019 refer to the period 1 July 2018 to 30 June 2019. The terms "year" and "period" are used interchangeably in this report.

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

Mr Gianmarco Biagi
Managing Director – Appointed: 12 April 2019

Mr Lorenzo Biagi
Executive Director – Appointed: 12 April 2019

Mr Umberto (Bert) Mondello
Non-Executive Chairman

Mr Gianmarco Orgnoni
Non-Executive Director

Mr Derek Hall
Non-Executive Director

PRINCIPAL ACTIVITIES
During the period, the principal continuing activity of the Group consisted of providing software services for the engineering, manufacturing, architecture, construction and education industries.

REVIEW OF OPERATIONS
During the year, the Company achieved the following milestones:

- Successful completion of the acquisition of established, revenue generating business "Vection";
- Establishment of European distribution network anticipating the global launch of FrameS, with access to over 6,700 potential clients in targeted industries;
- Execution of an agreement with global luxury automotive manufacturer Volvo Car Italy;
- Completion of a $2M placement to sophisticated and professional investors;
- Implementation of change management initiatives for the integration of Vection; and
- Identification and analysis of value accretive opportunities to integrate its current portfolio of virtual reality ("VR**"**) and augmented reality ("AR") software products.

Vection Acquisition
On 12 April 2019, the Company announced the completion of the acquisition of Vection, a VR & AR software company with a portfolio of world-renowned clients, including Ferretti (yacht building), Lamborghini (luxury vehicles) and many others.

Volvo Car Italy Agreement
Vection signed an agreement with Volvo Car Italy (Volvo), with the luxury car manufacturer set to adopt Vection's VR and AR technology for marketing, automotive value chain, training and sales (ASX: 6 May 2019).

Post year end, Vection developed an AR vehicle demonstration hardware and software solution for use in Volvo car dealerships. This engagement will result in revenue of up $430,000 to Vection (ASX: 16 July 2019).

FrameS Global Launch Strategy - Distribution Agreements
FrameS is a virtual reality visualisation software, assisting industries from architecture, engineering and manufacturing to fashion and retail, in creating VR visualisations prior to execution, saving both time and cost for producers, manufacturers and customers

ServTech will soon finalise a global launch strategy for FrameS and integral to this is the appointment of distribution and reselling partners. In this regard, Vection entered into two distribution agreements during the quarter, the first with European Enterprise Resource Planning systems integrator, Four Bytes Group (Four Bytes).

The agreement with Four Bytes gives Vection access to an extended network of approximately 30 resellers across multiple industry segments who have ~2,700 potential clients for Vection (ASX: 4 June 2019).

Vection's second distribution agreement was Gruppo Infor (Infor). Infor is an established software distribution company which partners with leading software companies including Microsoft and Adobe. Vection and Infor will collaborate to market FrameS to Infor's existing clients. This agreement provides access to ~4,000 clients (ASX: 24 June 2019).

The Company's ultimate goal is to make FrameS a leading and widely used SaaS platform and the FrameS distribution network will be key to accomplishing this goal. Another positive development in this regard was Frames receiving a technical compliance certification for from TÜV InterCert Srl. With the TÜV certification, eligible FrameS clients can obtain a fiscal benefit (amortisation of 140% of the FrameS subscription cost) from the Italian government. This effectively increases the value proposition of the FrameS offering with no associated cost to ServTech (ASX: 29 May 2019).

Other Software Development

During year, ServTech announced that it had entered into an IT development contract with Emerge Gaming Solutions Pty Ltd ("Emerge") to offer strategic insights and manage the development and maintenance of Emerge's eSports platform, for revenue of circa $500,000 over a 2 year period.

On 10 July 2018, the Company advised that the real estate businesses sold to The Agency Group Australia Limited ("The Agency") had been successfully migrated to The Agency. As part of the transaction, ServTech continues to deliver support and SaaS services to The Agency. ServTech invoiced more than ~$30,000 each month for services to The Agency demonstrating that the offering has expanded beyond the scope of the initial engagement.

On 9 August 2018, ServTech announced that it had successfully completed development of a mobile application for a leading real estate profession in WA - Real Estate Institute of WA ("REIWA"). The successful launch of the REIWA app represents the first phase of development. The Company expects to gain further incremental revenue from this engagement as well as other contracts in the pipeline.

Corporate Overview

Following the approval of Shareholders, the Company completed the acquisition of Vection (ASX: 12 April 2019). In accordance with the terms of the acquisition, the Company issued 292,556,186 fully paid ordinary shares in the capital of the Company and 150,000,000 performance rights. The Company also successfully completed the placement of 111,111,111 new Shares, at an issue price of $0.018 per Share raising $2 million (before costs).

The acquisition also brought the Company an experienced management team in the technology space to ensure continued growth and performance, enhancing the existing ServTech business. The Company announced the appointment of Mr Gianmarco Biagi as Managing Director and Mr Lorenzo Biagi as Executive Director and Chief Sales Officer.

Mr Gianmarco Biagi is an experienced executive, having served as CEO and board member of several Italian and multinational manufacturing corporations. He previously held the position of general manager of Luxury Living Group (a company with annual revenues of ~€140M). Mr Lorenzo Biagi is an experienced company manager in the private sector, with extensive knowledge in virtual reality technology, sales and cost control management.

Outlook

As the Company continues its growth strategy into the European market, and into the design and engineering software market segment with its virtual and augmented reality software offering, it is currently generating opportunities in new jurisdictions and new technologies.

The Company is also looking at launching new virtual reality computer-aided design software products aimed at targeting the architecture and engineering and mechanical market segment, which is anticipated to generate significant sales opportunities.

RESULTS

During the year ended 30 June 2019, the Company posted total revenue of $1,362,124 of which $996,918 was derived from ordinary operations. This is up substantially on the previous year total revenue of $475,324 (of which $425,654 was derived from ordinary operations) when the Company was retargeting its resources to software development and outsourced services. The acquisition of Vection in the last quarter of FY2019 positions the Company well for a strong FY2020.

The Company's loss for the year of $4,420,102 (2018: loss of $3,872,777) is largely attributable to an accounting impairment loss of $3,084,659. This provisional one-off, non-cash expense is recognised as a result of the acquisition of Vection. Adding back this item, the Group loss would have been ~$1.4M. As the Vection business is integrated into the Group and synergies are achieved, both the existing and new business are anticipated to perform strongly.

Cash at the end of the year was ~$796,569. The Company had significant receivables outstanding at 30 June 2019 from both ServTech's existing operations and Vection.

One-off costs relating to the new business and implementing synergies of were also incurred. This implementation process will reduce Group administration costs going forward.

EVENTS OCCURING AFTER THE REPORTING PERIOD

There were no matters or circumstances arising since the end of the reporting period that have significantly affected or may significantly affect the operations of the Company and the results of those operations or the state of the affairs of the Company in the financial period subsequent to 30 June 2019.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The following significant changes in the state of affairs of the Company occurred during the financial year:

- On 12 April 2019, the Company completed the Acquisition of Vection; and
- In tandem with the Acquisition, the Company completed a placement to sophisticated and professional investors raising $2 million (before costs).

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Other than information disclosed elsewhere in this annual report, information on likely developments in the operations of the Group and the expected results of those operations in future financial years has not been included in this Directors' Report because the Directors believe, on reasonable grounds, that to include such information would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION

The Group is not subject to any particular or significant environmental regulations under either Commonwealth or State law.

INFORMATION ON CURRENT DIRECTORS AND COMPANY SECRETARY

Mr Gianmarco Biagi
Managing Director (Appointed: 12 April 2019)

Experience and expertise
Mr Gianmarco Biagi is an experienced executive, having served as CEO and board member of several Italian and multinational manufacturing corporations. His last experience was as general manager of Luxury Living Group (140M€ in revenues per year). Mr Biagi has a post graduate degree in Engineering and a Master's degree in Business and Strategic Management.

Other current directorships: Nil
Former ASX directorships in past 3 years: Nil
Interests in the Company's securities: 292,556,186 Fully Paid Ordinary Shares and 150,000,000 Performance Rights as a result of a relevant interest in VR Tech SRL which has a relevant interest in Officine8K Srl, which is the registered holder of these securities.

Mr Lorenzo Biagi
Executive Director (Appointed: 12 April 2019)

Experience and expertise
Mr Lorenzo Biagi is an experienced company manager in the private sector, with extensive knowledge in virtual reality technology, sales and cost control management. While managing corporate development processes for more than 10 years, Mr Biagi has implemented new procedures and technologies helping make the companies he worked for and with, leaders in innovation.

Other current directorships: Nil
Former ASX directorships in past 3 years: Nil
Interests in the Company's securities: 292,556,186 Fully Paid Ordinary Shares and 150,000,000 Performance Rights as a result of a relevant interest in VR Tech SRL which has a relevant interest in Officine8K Srl, which is the registered holder of these securities.

Mr Umberto (Bert) Mondello – LLB
Non-Executive Chairman

Experience and expertise
Mr Mondello has more than 20 years' experience across both the private and public sectors. An as Executive, Mr Mondello has substantial capital markets experience and knowledge of equity markets having participated in company restructures, IPOs, RTOs, investor placements and seed raisings. With experience spanning multiple industries, with a specialisation in technology. Across his career, including as CEO of ZipTel Limited (ASX: ZIP), Mr Mondello has been pivotal in challenging the status quo with innovation in new technologies across a myriad of products and offerings. Mr Mondello holds a Bachelor of Laws from The University of Notre Dame, Australia.

Other current directorships: Non-Executive Director of ZipTel Limited (ASX: ZIP), Non-Executive Director of WestStar Industrial Limited (ASX: WSI), Non-Executive Chairman of Emerge Gaming Limited (ASX: EM1)
Former ASX directorships in past 3 years: Nil
Interests in the Company's securities: Nil

Mr Gianmarco Orgnoni – BBus
Non-Executive Director

Experience and expertise
Mr Orgnoni has skills extending across corporate finance, investment banking and research analysis. Mr Orgnoni has extensive experience in offering corporate advisory and finance analysis across European and Australian private and publicly listed companies. Mr Orgnoni has worked closely with and has provided adversarial services to a number of companies spanning from civil engineering, education, technology, biotechnology and real estate. Mr Orgnoni holds a bachelor's degree in economics and Business Administration from the Catholic University of the Sacred Heart of Milan, Italy.

Other current directorships: Non-Executive Director of TikForce Limited (ASX: TKF)
Former ASX directorships in past 3 years: Nil
Interests in the Company's securities: Nil

Mr Derek Hall – BCom, CA, FFin, AGIA
Non-Executive Director & Company Secretary (Appointed: 7 February 2018)

Experience and expertise
Mr Hall is a finance and compliance specialist in the listed space. Mr Hall has significant commercial experience identifying key business drivers and bringing cost control and process improvement into sharp focus. Mr Hall has been involved as a Chief Financial Officer and Company Secretary for a number of publicly listed and unlisted companies involving transactions in technology, mining, oil and gas and construction. Mr Hall is a Chartered Accountant, Chartered Secretary and Fellow of the Financial Services Institute.

Other current directorships: Nil
Former ASX directorships in past 3 years: Nil
Interests in the Company's securities: Nil

MEETINGS OF DIRECTORS
The number of meetings of the board of directors (including board committees) held during the year ended 30 June 2019, and the number of meetings attended by each director are set out below:

Directors	**Board Meetings**	**Eligible to Attend**
	Held	**Attended**
Mr Gianmarco Biagi (appointed 12/4/19)	1	1
Mr Lorenzo Biagi (appointed 12/4/19)	1	1
Mr Bert Mondello (appointed 22/11/17)	7	7
Mr Gianmarco Orgnoni (appointed 22/11/17)	7	7
Mr Derek Hall (appointed 7/2/18)	7	7

SHARE OPTIONS
Unissued ordinary shares of the Company under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
8 March 2017	17 March 2020	$0.30	2,500,000

The holders of these options do not have any rights under the options to participate in any share issue of the Company or of any other entity.

No ordinary shares were issued during or since the end of the financial year as a result of exercise of options.

REMUNERATION REPORT - AUDITED

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

The Directors present the ServTech 2019 remuneration report, outlining key aspects of our remuneration policy and framework, and remuneration awarded this year.

The report is structured as follows:

(a) Key management personnel covered in this report
(b) Principles used to determine the nature and amount of remuneration
(c) Non-executive directors' remuneration
(d) Executive director and senior management remuneration
(e) Details of remuneration

(a) Key management personnel covered in this report

Directors	Position
Mr Gianmarco Biagi (appointed 12/4/19)	Managing Director
Mr Lorenzo Biagi (appointed 12/4/19)	Executive Director
Mr Bert Mondello	Non-Executive Chairman
Mr Gianmarco Orgnoni	Non-Executive Director
Mr Derek Hall	Non-Executive Director / Company Secretary

(b) Principles used to determine the nature and amount of remuneration

The Board adheres to the Remuneration Policy detailed in the Company's Prospectus issued in December 2016. The Remuneration Policy of the Board is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and maintain desirable Directors, Company Secretaries and senior executives.

The Board are mindful that where possible the remuneration structures reward the achievement of strategic objectives to achieve the broader outcome of creation of value for shareholders.

The remuneration committee is responsible for assessing performance against key performance indicators and determining the short-term incentives and long-term incentives to be paid. To assist in this assessment, the committee receives detailed reports on performance from management which are based on independently verifiably data such as financial measures, market share and data from independently run surveys.

In the event of serious misconduct or a material misstatement in the Group's financial statements, the remuneration committee can cancel or defer performance-based remuneration and may also claw back performance-based remuneration paid in previous financial years.

(c) Non-executive directors' remuneration

Fees

The Board policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Board determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. In the current year, no advice was sought.

Upon appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the policies and terms, including compensation, relevant to the office of the director.

(c) Non-executive directors' remuneration

The key terms of the non-executive director service agreements are as follows:

- Term of Agreement – ongoing subject to annual review and the Company's constitution
- Non-Executive Directors' Fees of up to $72,000 per annum plus an amount equivalent to statutory superannuation
- There is a 6-month notice period stipulated to terminate the contract by either party

The maximum aggregate amount of fees that can be paid to non-executive directors is currently fixed at $300,000 with any change in this amount subject to approval by shareholders at the Annual General Meeting.

The Company does not have a Director's Retirement Scheme in place at present.

(d) Executive director and senior management remuneration

Service Contracts
It is the Company's policy that service contracts for executive directors and senior executives be entered into. A service contract with an executive director or senior executive would provide for the payment of benefits where the contract is terminated by the entity or the individual.

The executive directors and senior executives would also be entitled to receive on termination of employment their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits. An executive director or senior executive would have no entitlement to termination payment in the event of removal for misconduct.

Major provisions of the agreements existing at reporting date relating to executive remuneration are set out below:

Mr Gianmarco Biagi – Managing Director

- Term of agreement: Until terminated in accordance with the agreement.
- Remuneration: $15,000 per month, for the first 12 months of the agreement, then $16,667 per month.
- Period of notice for termination/resignation: Three month's written notice by the consultant. Three month's written notice by the Company.
- Details of remuneration entitlement on termination: Payment of fees up to the date of termination or payment of three month's fees in lieu of notice.

Mr Lorenzo Biagi – Executive Director

- Term of agreement: Until terminated in accordance with the agreement.
- Remuneration: $10,600 per month, for the first 12 months of the agreement, then $13,100 per month for the next 12 months, then $15,600 per month.
- Period of notice for termination/resignation: Three month's written notice by the consultant. Three month's written notice by the Company.
- Details of remuneration entitlement on termination: Payment of fees up to the date of termination or payment of three month's fees in lieu of notice.

Share-based payment arrangements relating to key management personnel
No options were issued to Directors or other key management personnel during the year.

The acquisition of Vection included an offer of ordinary shares and performance shares to the vendors of Vection which included the directors Mr Gianmarco Biagi and Mr Lorenzo Biagi. Details of these securities are outlined in tables below.

(e) Details of remuneration

Details of the remuneration of the directors and key management personnel of the Group (as defined in AASB 124 *Related Party Disclosures*) are set out in the following tables.

Key management personnel of the Group and other executives of the Company and the Group

2019	Short term employee benefits (paid or payable as at 30 June 2019)	Post-employment benefits		Long-term benefits	Share-based payments		
Name	Cash, salary & fees	Termination payments	Superannuation	Long service leave	Options/ Performance Rights	Total	Proportion of remuneration performance related
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Mr Gianmarco Biagi[1]	45,000	-	-	-	-	45,000	-
Mr Lorenzo Biagi[1]	31,800	-	-	-	-	31,800	-
Mr Bert Mondello	63,000	-	4,278	-	-	67,278	-
Mr Gianmarco Orgnoni	54,000	-	3,420	-	-	57,420	-
Mr Derek Hall	48,000	-	-	-	-	48,000	-
Total Director Remuneration	**241,800**	**-**	**7,698**	**-**	**-**	**249,498**	**-**
Total Key Management Personnel	**241,800**	**-**	**7,698**	**-**	**-**	**-**	**-**
Total	**241,800**	**-**	**7,698**	**-**	**-**	**249,498**	**-**

[1] Appointed 12 April 2019

Key management personnel of the Group and other executives of the Company and the Group

2018	Short term employee benefits (paid or payable as at 30 June 2018)	Post-employment benefits		Long-term benefits	Share-based payments		
Name	Cash, salary & fees	Termination payments	Superannuation	Long service leave	Options/ Performance Rights	Total	Proportion of remuneration performance related
Directors	**$**	**$**	**$**	**$**	**$**	**$**	**%**
Mr Bert Mondello[1]	40,291	-	-	-	-	40,291	-
Mr Gianmarco Orgnoni[1]	31,558	-	-	-	-	31,558	-
Mr Derek Hall[2]	29,321	-	-	-	-	29,321	-
Mr Nicholas Cernotta[3]	23,692	-	2,251	-	-	25,943	-
Mr Brett Quinn[4]	160,000	61,500	-	-	-	221,500	-
Mr Brynmor Hardcastle[3]	14,286	-	-	-	-	14,286	-
Mr David Newman[3]	14,215	-	1,350	-	-	15,565	-
Total Director Remuneration	**313,363**	**61,500**	**3,601**	**-**	**-**	**378,464**	**-**
Key Management Personnel							
Mr Samuel Buick[3]	24,750	49,500	-	-	-	74,250	-
Total Key Management Personnel	**24,750**	**49,500**	**-**	**-**	**-**	**74,250**	**-**
Total	**338,113**	**111,000**	**3,601**	**-**	**-**	**452,714**	**-**

[1] Appointed 22 November 2017
[2] Appointed 7 February 2018
[3] Resigned 22 November 2017
[4] Resigned 7 February 2018
[5] Resigned 5 September 2017

Other transactions with key management personnel

(i) Transactions with directors and key management personnel
The Group may enter into agreements for services rendered with individuals (or an entity that is associated with the individuals) during the ordinary course of business.

A number of entities associated with the directors and key management personnel have consulting agreement in place which has resulted in transactions between the Group and those entities during the period. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

		Transaction Value		Outstanding Balance	
		2019	2018	2019	2018
		$	$	$	$
Director	**Transaction**				
Mr Bert Mondello	Corporate advisory fees (a)	101,710	150,571	1,710	17,023
	Contract revenue (b)	388,700	142,903	45,760	-
	Technical consultancy (c)	55,000	-	-	-
Mr Gianmarco Orgnoni	Convertible note (d)	-	1,000,000	-	1,000,000
	Interest (e)	12,169	46,929	-	8,333
	Capital raising fees (f)	-	50,000	-	-

Other transactions with key management personnel (continued)

(a) Corporate advisory fees and administration services paid to Indomain Enterprises Pty Ltd (Indomain) under a Corporate Advisory Mandate. Invoices to the value of $88,000 were paid via Shares in the Company as approved by shareholders at the general meeting held on 11 April 2019;
- an entity associated with Mr B Mondello

(b) ServTech's subsidiary Technobrave Pty Ltd entered into a contract to provide services to Emerge Gaming Solutions Pty Ltd a subsidiary of Emerge Gaming Limited. Mr B Mondello is a director of Emerge Gaming Limited. This contract was signed on a commercial, arm-length basis;

(c) Technical Consultancy fees paid to Indomain under a consultancy agreement. Invoices to the value of $5,500 were paid via Shares in the Company as approved by shareholders at the general meeting held on 11 April 2019;
- An entity associated with Mr B Mondello

(d) On 22 November 2017, the Company announced that it had entered into a binding convertible loan facility agreement with Servnote Holding Pty Ltd (Servnote), to invest up to $1 Million in cash into the Company. On 10 August 2018, the Company obtained shareholder approval for conversion of the loan facility agreement proceeds into fully paid ordinary shares of the Company;

(e) Interest payments to Servnote in relation to the $1 Million convertible loan facility;

(f) Capital raising fee paid to Servnote;
- Mr G Orgnoni is the sole director of Servnote. He is not a party to the investor group which Servnote was established to hold

In addition, each of the directors received director's fees in accordance with the terms of their respective contracts.

(ii) Loans to Directors

There were no loans to directors and executives during the financial year ended 30 June 2019.

Equity instrument disclosures relating to key management personnel

(i) Shareholdings

The numbers of shares in the Company held during the financial year by each director of ServTech Global Holdings Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2019	Balance at the start of the year	Received during the year on exercise of options	Other changes during the year[3]	Balance at the end of the year or date of resignation (if applicable)
Ordinary shares				
Directors				
Mr Gianmarco Biagi[1,2]	-	-	292,556,186	292,556,186
Mr Lorenzo Biagi[1,2]	-	-		
Mr Bert Mondello	-	-	-	-
Mr Gianmarco Orgnoni	-	-	-	-
Mr Derek Hall	-	-	-	-
Total	-	-	292,556,186	292,556,186

[1] Appointed 12 April 2019

[2] Indirect shareholding as a result of a relevant interest in VR Tech SRL which has a relevant interest in Officine8K, which is the registered holder of these securities

[3] As a vendor of Vection, these shares were issued as part of the consideration for the Acquisition of Vection.

(ii) Option holdings

During the year, no options were issued to key management personnel.

Performance-based remuneration

Performance rights over equity instruments granted as compensation

As part of the consideration for the Acquisition of Vection, Officine8K SRL, an entity associated with Mr Gianmarco Biagi and Mr Lorenzo Biagi was granted 150,000,000 performance rights in three tranches with the following terms:

- Tranche 1 Performance Rights: 50,000,000 Performance Rights each converting into Shares (on a one for one basis) upon Vection's earnings before interest, tax, depreciation and amortization at the end of a financial year being at least $500,000 (as verified by the Company's auditors) within 24 months of the settlement of the Acquisition;
- Tranche 2 Performance Rights: 50,000,000 Performance Rights each converting into Shares (on a one for one basis) upon the revenue generated by the business of Vection achieving a minimum of $1,500,000 (as verified by the Company's auditors) within 24 months of settlement of the Acquisition; and
- Tranche 3 Performance Rights: 50,000,000 Performance Rights each converting into Shares (on a one for one basis) upon:
    a. the volume weighted average price for the Shares on twenty (20) consecutive days on which sales are recorded being no less than $0.03; and
    b. the revenue generated by the business of Vection achieving a minimum of $2,500,000 (as verified by the Company auditors) within 36 months of settlement of the Acquisition.

In relation to each class of performance right, the Directors have assessed the probability of meeting the non-market based conditions as 0%. Accordingly, no amount in relation to these performance rights has been recognised in the Statement of Profit or Loss and Other Comprehensive Income or in the remuneration disclosures for Directors and key management personnel.

Shares provided on exercise of remuneration options

During the reporting period, no shares were issued to key management personnel on the exercise of options previously granted as remuneration.

Loans to key management persons
There were no loans to directors and executives during the financial year ended 30 June 2019.

Use of remuneration consultants
The Company has not engaged the services of remuneration consultants to review its Executive remuneration recommendations.

Company performance
The following table shows key performance indicators for the Group:

	2019	2018	2017
Loss for the year	(4,420,102)	(3,872,777)	(5,973,508)
Closing share price ($)	0.014	0.012	0.091
Basic and diluted loss per share	(1.512)	(3.93)	(0.12)

Voting and comments made at the company's 2018 Annual General Meeting
ServTech Global Holdings Limited received 100% of "yes" votes on its remuneration report for the 2018 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

END OF AUDITED REMUNERATION REPORT

INSURANCE OF OFFICERS
The Company has entered into a deed of access, indemnity and insurance with each of its current and former directors, and the Company Secretary. Under the terms of the deed, the Company indemnifies the officer or former officer, to the extent by law, for the liabilities incurred as an officer of the Company.

Since the end of the previous financial year, the Company has paid premiums in respect of contracts insuring the current and former directors and officers of the Company against liabilities incurred by them to the extent permitted by the *Corporations Act 2001*. The contracts prohibit disclosure of the nature of the liability cover and the amount of the premium.

NON-AUDIT SERVICES
No non-audit services were provided by the Company's auditor, Criterion Audit Pty Ltd.

CONFIRMATION UNDER ASX LISTING RULE 4.10.19
In accordance with Listing Rule 4.10.19, the Company confirms that during the financial year ended 30 June 2019, the Company used the cash and assets in a form readily convertible to cash, that it had at the time of admission, in a way consistent with its business objectives.

PROCEEDINGS ON BEHALF OF THE COMPANY
On 9 April 2018, SLP commenced civil proceeding in the District Court of Western Australia for recovery of unpaid loan monies advanced to a former employee, Mr Matthew Nylander (Defendant). A Counterclaim has been filed by the Defendant but has not been particularised. The Company alleges that it is owed ~$150,000 by the Defendant. This amount has been provided for in the Company's accounts.

Apart from the above, 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.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Criterion Audit Pty Ltd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the annual financial report. This Independence Declaration is set out on page 16 and forms part of this Directors' Report for the year ended 30 June 2019.

This report is signed in accordance with a resolution of the Board of Directors made pursuant to section 306(3) of *the Corporations Act 2001*.

Mr Bert Mondello
Chairman
Dated at Perth, Western Australia this 30th day of September 2019.

CRITERION AUDIT

Criterion Audit Pty Ltd

ABN 85 165 181 822

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Phone: 6380 2555 Fax: 9381 1122

To The Board of Directors

Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

As lead audit director for the audit of the financial statements of ServTech Global Holdings Limited and Controlled Entities for the financial year ended 30 June 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

CHRIS WATTS CA
Director

CRITERION AUDIT PTY LTD

DATED at PERTH this 30th day of September 2019

SERVTECH GLOBAL HOLDINGS LIMITED
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Consolidated 30 June 2019 $	Consolidated 30 June 2018 $
Revenue			
Revenue from continuing operations	2(iii)	1,362,124	475,324
Expenses			
Acquisition costs		155,625	-
Employee benefits expense		974,922	2,167,591
Consulting and professional fees		608,559	684,588
Finance costs	2(i)	32,262	196,566
Depreciation and amortisation		146,249	118,734
Impairment	20	3,084,659	-
Other expenses	2(ii)	825,560	728,969
Share based payments	10	36,900	-
Total Expenditure		5,864,736	3,896,448
Loss before income tax expense		(4,502,612)	(3,421,124)
Income tax expense	22	-	-
Loss after income tax for the year		(4,502,612)	(3,421,124)
Discontinued operations			
Loss for the year after income tax from discontinued operations	26	82,510	(451,653)
Loss after income tax attributable to equity holders of ServTech Global Holdings Limited		(4,420,102)	(3,872,777)
Other comprehensive loss			
Items that may be reclassified to profit or loss			
Exchange differences on translation of foreign operations		2,163	(1,294)
Total comprehensive loss for the year		2,163	(3,874,071)
Total comprehensive loss attributable to equity holders of ServTech Global Holdings Limited		(4,417,939)	(3,874,071)
Loss per share for the year attributable to the members of ServTech Global Holdings Ltd			
Discontinued operations Profit/(Loss) per share for the year (per share)	13	0.028	(0.002)
Continuing operations Loss per share for the year (per share)	13	(1.540)	(0.037)
Overall Basic loss per share	13	(1.512)	(0.039)
Overall Diluted loss per share	13	(1.512)	(0.039)

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

SERVTECH

SERVTECH GLOBAL HOLDINGS LIMITED
ANNUAL FINANCIAL REPORT AS AT 30 JUNE 2019
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	Consolidated As at 30 June 2019 $	Consolidated As at 30 June 2018 $
Current Assets			
Cash and cash equivalents	3	796,569	513,754
Receivables	4	1,457,990	1,054,876
Total Current Assets		2,254,559	1,568,630
Non-Current Assets			
Property, plant & equipment	5	90,075	161,306
Intangible assets	6	3,589,171	-
Total Non-Current Assets		3,679,246	161,306
Total Assets		5,933,805	1,729,936
Current Liabilities			
Payables	7	967,959	834,414
Other provisions	8	246,085	177,870
Interest bearing liabilities	9	-	1,140,078
Total Current Liabilities		1,214,044	2,152,362
Non-Current Liabilities			
Other provisions	8	705,321	138,760
Total Non-Current Liabilities		705,321	138,760
Total Liabilities		1,919,365	2,291,122
Net Assets/(Liabilities)		4,014,440	(561,186)
Equity			
Issued capital	10	19,397,897	10,404,332
Reserves	11	271,657	269,494
Accumulated losses	12	(15,655,114)	(11,235,012)
Total Equity/(Deficiency in Equity)		4,014,440	(561,186)

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

SERVTECH GLOBAL HOLDINGS LIMITED
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Issued Capital	Accumulated Losses	Consolidated Share Based Payments Reserve	Foreign Currency Translation Reserve	Total
	$	$	$	$	$
Balance at 1 July 2018	10,404,332	(11,235,012)	272,500	(3,006)	(561,186)
Loss for the period	-	(4,420,102)	-	-	(4,420,102)
Other comprehensive loss	-	-	-	2,163	2,163
Total comprehensive loss for the period	-	(4,420,102)	-	2,163	(4,417,939)
Transactions with owners in their capacity as owners					
Share based payments – Note 10	36,900	-	-	-	36,900
Issue of share capital – Note 10	8,956,665	-	-	-	8,956,665
Balance at 30 June 2019	19,397,897	(15,655,114)	272,500	(843)	4,014,440
Balance at 1 July 2017	10,040,552	(7,691,115)	601,380	(1,712)	2,949,105
Loss for the period	-	(3,872,777)	-	-	(3,872,777)
Other comprehensive loss	-	-	-	(1,294)	(1,294)
Total comprehensive loss for the period	-	(3,872,777)	-	(1,294)	(3,874,071)
Transactions with owners in their capacity as owners					
Issue of share capital	363,780	-	-	-	363,780
Transfer of lapsed performance rights	-	328,880	(328,880)	-	-
Balance at 30 June 2018	10,404,332	(11,235,012)	272,500	(3,006)	(561,186)

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

SERVTECH

SERVTECH GLOBAL HOLDINGS LIMITED
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019
CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Consolidated Year Ended 30 June 2019	Consolidated Year Ended 30 June 2018
		$	$
Cash flows from operating activities			
Receipts from customers		1,450,452	10,873,757
Payments to suppliers and employees		(2,914,459)	(15,305,478)
Advancement/(payment) of funds to employees		-	55,113
Interest received		440	5,467
Interest paid		(39,710)	(63,165)
Tax incentives received/(Taxes paid)		(15,646)	-
Net cash outflow from operating activities	3	(1,518,923)	(4,434,306)
Cash flows from investing activities			
Payments for plant & equipment		(49,729)	(186,676)
Transaction costs in purchase of subsidiary		(324,412)	-
Cash acquired from subsidiary	20	56,154	-
Proceeds from sale of/(Payments for) intangible assets		-	617,540
(Payments)/refunds of leasing deposits		-	44,102
Proceeds from disposal of discontinued operations		245,599	243,000
Proceeds from sale of other non-current assets		-	1,909
Net cash outflow from investing activities		(72,388)	719,875
Cash flow from financing activities			
Proceeds from issues of shares		2,000,000	387,000
Proceeds from issues of convertible notes		-	1,000,000
Transaction costs		(128,037)	(23,220)
Proceeds/(repayment) from borrowings		-	(438,231)
Net cash inflow from financing activities		1,871,963	925,549
Cash and cash equivalents at the beginning of the financial year		513,754	3,300,575
Net increase/(decrease) in cash and cash equivalents		280,652	(2,788,882)
Effect of movement in exchange rates on cash held		2,163	2,061
Cash and cash equivalents at the end of the financial year	3	796,569	513,754

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The annual financial report of ServTech Global Holdings Limited (the **Company, Group or ServTech**) for the year ended 30 June 2019 was authorised for issue in accordance with a resolution of directors on 30 September 2019.

The Company is a public company limited by shares incorporated on 14 September 2016 and domiciled in Australia.

The nature of the operations and principal activities of the Company are described in the Directors' report.

(a) Basis of preparation

The principle accounting policies adopted for the preparation of the annual financial report are set out below. These accounting policies have been applied consistently to all periods presented unless otherwise stated.

(i) Statement of compliance

This annual financial report for the year ended 30 June 2019 are general purpose financial statements which have been prepared in accordance with the Australian Accounting Standards (AASBs), including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*. The annual financial report complies with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB).

(ii) Basis of measurement and reporting convention

This annual financial report has been prepared on an accruals basis and is based on historical cost. The annual financial report is presented in Australian dollars and all values are rounded to the nearest dollar unless otherwise stated.

(b) Segment Information

Operating Segments – AASB 8 requires a management approach under which segment information is presented on the same basis as that used for internal reporting purposes. This is consistent to the approach used for the comparative period. Operating segments are reported in a uniform manner to which is internally provided to the chief operating decision maker. The chief operating decision maker has been identified as the Board of Directors.

An operating segment is a component of the Group that engages in business activity from which it may earn revenues or incur expenditure, including those that relate to transactions with other Group components. Each operating segment's results are reviewed regularly by the Board to make decisions about resources to be allocated to the segments and assess its performance, and for which discrete financial information is available.

The Board monitors the operations of the Company based on 2 segments; its IT development division and its outsourced services division.

The financial results of each segments are reported to the board to assess the performance of the Group. The Board has determined that strategic decision making is facilitated by evaluation of the operations of the legal parent and subsidiaries which represent the operational performance of the Group's revenues and the research and development activities as well as the finance, treasury, compliance and funding elements of the Group.

(c) Estimates and judgements

The preparation of the annual financial report requires the use of accounting estimates and judgements which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involve a degree of judgement or complexity in the preparing the annual financial report. Facts and circumstances may come to light after the event which may have significantly varied the assessment used which result in a materially different value being recorded at the time of preparing this annual financial report.

Deferred tax assets - The Group has not recognised deferred tax assets relating to carried forward tax losses or timing differences. These amounts have not been recognised given the recognition requirements of AASB 112 *Income Taxes*.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Estimates and judgements (continued)

Share-based payments - The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black- Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity. Refer to notes 10 and 11 for details of inputs utilised in calculating the fair value of the equity instrument.

Estimation of useful lives of assets - The Group 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.

Goodwill and other indefinite life intangible assets - The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2(r). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated pre-tax discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

(d) Principles of consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group 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 Group. They are deconsolidated from the date that control ceases.

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

(e) Going Concern

The financial report has been prepared on the going concern basis, which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. For the year ended 30 June 2019 the Group recorded a loss from continuing operations of $4,420,102 (2018: $3,421,124) and had negative cash flows from operating activities of $1,518,923 (2018: $4,434,306).

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern, and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The Directors are satisfied they will be able to raise additional working capital as required and thus it is appropriate to prepare the financial statements on a going concern basis. In arriving at this position, the Directors have considered the following matters:

- The upcoming supported global launch of the FrameS SaaS product which is represents a potentially significant monetisation opportunity;
- Accelerated collection of long outstanding amounts from The Agency Group Australia Limited (The Agency) following that company's successful capital raising;
- Cash on hand of $796,569 as at 30 June 2019; and
- A history of completing capital raisings, including via placements (with $2 million raised via the issue of shares in the current financial year) and the issue of convertible notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Going Concern (continued)

The Group is continually assessing its ongoing cash requirements. As part of this process the Group maintains a strict internal cash flow management process which is based on numerous revenue and other assumptions. Should these assumptions not be achieved the directors believe the Group will reduce the cost base in line with revenue as required and raise additional capital as required. The Group has the support of its creditors and employees in relation to its obligations and has agreed payment arrangements in respect of taxation liabilities.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the reasons outlined above.

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that 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.

(f) Standards and Interpretations applicable to 30 June 2019

In the year ended 30 June 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period.

As a result of this review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company and, therefore, no material change is necessary to Group accounting policies.

(g) Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all Standards and Interpretations in issue but not yet adopted for the year ended 30 June 2019. In respect of AASB 16: *Leases*, the Group will be required to recognise a right of use asset in respect of its properties in India and the Philippines and a compulsory lease lability. The Company has adopted AASB 16 with respect to its Italian office.

Reference and Title	Summary	Application Date of Standard	Impact on the entity's Financial Statements
AASB 16 (issued February 2016) *Leases*	AASB 16 eliminates the operating and finance lease classifications for lessees current accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use asset in its balance sheet for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases. Lessor accounting remains largely unchanged from AASB 117.	Annual reporting periods commencing on or after 1 January 2019.	The entity is currently in the process of assessing the impact on its financial statements in the period of intended adoption. The standard will result in recognising a right of the use of assets and corresponding lease liability in respect of the lease premises in India and the Philippines.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flows, 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Statement of Financial Position.

(i) Trade and other receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the Group 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 30 days overdue) are considered indicators that the trade receivable is 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.

The amount of the impairment loss is recognised in profit or loss within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance. Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to the group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(k) Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Land is not depreciated. Depreciation on other assets is calculated using the methods shown in the table below to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Property, plant and equipment (continued)

The depreciation rates used for each class of depreciable assets are as follows:

Class of fixed asset	Depreciation method	Depreciation rate
Office and computer equipment	Diminishing value	20% - 67%
Leasehold improvements	Straight-line	2.5%
Software development	Straight-line	4%–25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

(l) 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.

Where any group company purchases the Company's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of ServTech Global Holdings Limited as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Group.

(m) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(n) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares.
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Income taxes

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 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 apply 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 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 entity's which intend to settle simultaneously.

(p) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(q) Intangible assets

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Foreign currency translation

(i) Functional and presentation currency
Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollar ($), which is ServTech Global Holdings Limited's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the Statement of Profit or Loss and Other Comprehensive Income, within finance costs.

All other foreign exchange gains and losses are presented in the Statement of Profit or Loss and Other Comprehensive Income on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(iii) Group companies
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- assets and liabilities for each Statement of Financial Position presented are translated at the closing rate at the date of that Statement of Financial Position
- income and expenses for each Statement of Profit or Loss and other Comprehensive Income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale where applicable.

(s) Impairment of assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested 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. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Revenue recognition

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

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

Interest revenue is recognised using the effective interest rate method.

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

Government Incentives Received
Incentives received for research and development are recognised as revenue in the period in which they are received. The incentives received in the current period are for R&D tax incentives for the 2017 and 2018 financial years and fulfil all the necessary attached conditions.

(u) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease’s inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset’s useful life or over the shorter of the asset’s useful life and the lease term if there is no reasonable certainty that the group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

(v) Employee benefits

(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities for annual leave and accumulating sick leave are presented as employee provisions in the Statement of Financial Position while all other short-term employee obligations are presented as payables in the Statement of Financial Position.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(v) Employee benefits (continued)

(ii) Other long-term employee benefit obligations
The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows.

Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

Obligations are presented as current in the Statement of Financial Position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Retirement benefit obligations
All Australian-resident employees of the Group are entitled to receive a superannuation guarantee contribution required by the government, which is currently 9.5%, and do not receive any other retirement benefits. Some individuals have chosen to sacrifice part of their salary to increase payments towards superannuation.

Other amounts charged to the financial statements in this respect represents the contributions made by the consolidated entity to employee retirement benefit funds in other jurisdictions.

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

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

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

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

(iv) Termination benefits
Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* and involves the payment of terminations benefits.

In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 taxation authority is included with other receivables or 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 taxation authority, are presented as operating cash flows.

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

(x) Compound Financial Instruments

Compound financial instruments issued by the Group comprise convertible facilities that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition. Interest related to the financial liability is recognised in the Statement of Profit or Loss and Other Comprehensive Income. On conversion the financial liability is reclassified to equity and no gain or loss is recognised.

(y) Financial instruments

(i) Classification
Financial assets recognised by the Company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the Company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial liabilities classified as held-for-trading, contingent consideration payable by the Company for the acquisition of a business, and financial liabilities designated at fair value through profit and loss (FVtPL), are subsequently measured at fair value.

All other financial liabilities recognised by the Company are subsequently measured at amortised cost.

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

Financial instruments are initially measured at fair value adjusted for transaction costs, except where the instrument is classified as fair value through profit or loss, in which case transaction costs are immediately recognised as expenses in profit or loss.

Trade and other receivables
Trade and other receivables arise from the Group's transactions with its customers and are normally settled within 30 days.

Consistent with both the company's business model for managing the financial assets and the contractual cash flow characteristics of the assets, trade and other receivables are subsequently measured at amortised cost.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) Financial instruments (continued)

(iii) Impairment
The following financial assets are tested for impairment by applying the 'expected credit loss' impairment model:

a. debt instruments measured at amortised cost;
b. debt instruments classified at fair value through other comprehensive income; and
c. receivables from contracts with customers and contract assets.

The Company applies the simplified approach under AASB 9 to measuring the allowance for credit losses for both receivables from contracts with customers and contract assets. Under the AASB 9 simplified approach, the Company determines the allowance for credit losses for receivables from contracts with customers and contract assets on the basis of the lifetime expected credit losses of the financial asset. Lifetime expected credit losses represent the expected credit losses that are expected to result from default events over the expected life of the financial asset.

The Company determines expected credit losses based on the company's historical credit loss experience, adjusted for factors that are specific to the financial asset as well as current and future expected economic conditions relevant to the financial asset. When material, the time value of money is incorporated into the measurement of expected credit losses. There has been no change in the estimation techniques or significant assumptions made during the reporting period.

The Company has identified contractual payments more than 90 days past due as default events for the purpose of measuring expected credit losses.

	Consolidated	
	Year Ended 30 June 2019	Year Ended 30 June 2018
	$	$
2 LOSS FOR THE PERIOD		
Loss for the year included the following items:		
(i) Finance costs		
Convertible notes	12,169	187,007
Interest costs	20,093	9,559
Total Finance costs	32,262	196,566
(ii) Other expenses		
Advertising expense	116,222	2,613
Rent expense	283,622	4,460
Travel	66,777	150,325
Other administrative expenses	358,939	571,571
Total other expenses	825,560	728,969
(iii) Revenue		
Software technology development services	539,509	253,329
Outsourced services	457,409	172,325
Interest received	21,374	5,456
R&D Tax refund	149,442	-
Other revenue	194,390	44,214
	1,362,124	475,324

3 CASH

	Consolidated	
	As at 30 June 2019	As at 30 June 2018
	$	$
Cash at bank	796,569	513,754
Balance per statement of cash flows	796,569	513,754

Refer Note 24 for the risk exposure analysis for cash and cash equivalents.

	Consolidated	
	Year Ended 30 June 2019	Year Ended 30 June 2018
	$	$
(a) Reconciliation of loss after income tax to net cash flows from operating activities		
Loss for the period	(4,420,102)	(3,872,777)
Non-cash items:		
Depreciation (including discontinued operations)	146,848	160,416
Accrued interest	(20,392)	-
Credit loss allowances	13,790	-
Interest on convertible note	-	140,078
Share based payments – Note 10	36,900	-
Consulting fees settled via equity – Note 10	93,500	-
Interest accrued on shareholder loan	-	-
Impairment expenses	3,084,659	315,187
Gain on disposal	-	(1,049,973)
Movements in assets/liabilities:		
(Increase)/decrease in other receivables	196,433	169,534
Increase/(decrease) in other payable and provisions	(650,559)	(296,771)
Net cash outflow from operating activities	(1,518,923)	(4,434,306)

(b) Non-cash financing and investing activities

(i) Share based payments

The Company issued Shares in lieu of services rendered during the year (Note 10).

(ii) Convertible notes

With respect to the convertible note agreement entered into by the Company during the previous year, this debt was converted to Shares during the current period (Note 9 and 10).

(iii) Vection consideration securities

The Company issued securities in consideration for the Acquisition of Vection (Note 10 and 20).

4 RECEIVABLES - CURRENT

	Consolidated As at 30 June 2019 $	Consolidated As at 30 June 2018 $
Trade and other receivables (i)	1,028,212	405,524
Trade and other receivables due from sale of business (ii)	514,250	650,000
Amounts receivable from (former) employees	-	232,594
Credit loss allowances	(100,058)	(329,362)
	1,442,404	958,756
Prepayments	15,586	96,120
	1,457,990	1,054,876

Refer Note 24 for the risk exposure analysis for receivables.

(i) Classification of trade and other receivables (current and non-current)

All receivables apart from the balance detailed below in (ii) are non-interest bearing. There are no receivables where the fair value would be materially different from the current carrying value. The Group reviews all receivables for impairment. Any receivables which are doubtful have been provided for. Based on past experience all receivables where no impairment has been recognised are not considered to be impaired. No other class of financial asset is past due.

(ii) Trade and other receivables due from sale of business

The Company entered into an agreement with The Agency whereby amounts outstanding from The Agency to the Company will accrue interest at a rate of 8% per annum.

5 PROPERTY, PLANT & EQUIPMENT

	Consolidated As at 30 June 2019 $	Consolidated As at 30 June 2018 $
OFFICE & COMPUTER EQUIPMENT		
Office & computer equipment at cost	115,259	598,746
Less accumulated depreciation	(33,454)	(281,393)
Impairment expense	-	(252,946)
	81,805	64,407
LEASEHOLD IMPROVEMENTS		
Leasehold improvements at cost	186,969	239,777
Less accumulated depreciation	(178,699)	(80,637)
Impairment expense	-	(62,241)
	8,270	96,899
SOFTWARE DEVELOPMENT		
Software development at cost	-	18,963
Less accumulated depreciation	-	(4,641)
Less provision for impairment	-	(13,577)
	-	-
TOTAL PLANT & EQUIPMENT	90,075	161,306

	Consolidated As at 30 June 2019 $	Consolidated As at 30 June 2018 $
6 INTANGIBLE ASSETS		
Intellectual property (Note 20)	2,811,417	-
Rights of use intangible asset (Note 20)	666,064	-
Other intangible assets (patents and development costs) (Note 20)	111,690	-
	3,589,171	-
7 PAYABLES - CURRENT		
Unsecured liabilities:		
Trade payables	560,167	260,731
Sundry creditors and accruals	407,792	573,683
Payables to employees	-	-
	967,959	834,414

Payables (current and non-current) are non-interest bearing. There are no payables where the fair value would be materially different from the current carrying value.

	Consolidated As at 30 June 2019 $	Consolidated As at 30 June 2018 $
8 PROVISIONS – CURRENT		
Annual leave	-	450
Current portion lease liabilities (i)	45,441	-
Provision for onerous lease commitments (ii)	200,644	177,420
	246,085	177,870
PROVISIONS – NON-CURRENT		
Non-current portion lease liabilities (i)	610,292	-
Provision for onerous lease commitments (ii)	95,029	138,760
	705,321	138,760

(i) The lease liabilities are related to the Rights of Use for assets acquired by the Company through lease agreements for its Italian office. In calculating these amounts, the Company applied to the lease contract an Incremental Borrowing Rate within a range of 1.26% to 2.14%.
(ii) Due to the Company's change in direction, some of the leased offices have not been used for the operations of the Company. As a result, a provision for an onerous lease has been recognised to reflect the present value of future lease costs which are required to be made in respect of these offices. The benefits expected to be generated by the lease contract are outweighed by the future costs.

	Consolidated As at 30 June 2019 $	As at 30 June 2018 $
9 INTEREST BEARING LIABILITIES - CURRENT		
Convertible Notes	-	1,140,078
	-	1,140,078

Terms of the borrowings

Convertible Notes – During the prior period the Group entered into a binding convertible note agreement with Servnote Holding Pty Ltd (Servnote), a private consortium, to initially invest $500,000 cash into the Company. Servnote had the right to increase the investment by an additional $500,000 for a total amount of $1 million and exercised this right on 27 March 2018. $1,000,000 was received by the Group under this facility. An additional amount of $140,078 was recognised to account for the costs of the facility based on its terms. The key terms of the Convertible Note Agreement are:

- Conversion price the lower of $0.02 and 80% of the volume weighted average market price for shares in 5 days prior to conversion
- 6 month maturity date (extended by agreement)
- Conversion of the convertible note into shares is subject to shareholder approval
- 10% p.a. interest on value of funds advanced (converted into shares at the noteholders election)

During the period on 10 August 2018, the Company sought and obtained shareholder approval for conversion of the Note Agreement proceeds into shares. As a result, this debt was extinguished in full with the issuance of 81,300,813 fully paid ordinary shares (Note 10)

10 ISSUED CAPITAL

	As at 30 June 2019	As at 30 Jun 2018	As at 30 June 2019	As at 30 Jun 2018
Share Capital	Shares No.	Shares No.	$	$
Ordinary Shares	657,171,676	129,073,131	19,397,897	10,404,332

Movement in share capital

Date	Details	Number of shares	$
1 July 2018	Opening balance	129,073,131	10,404,332
17 August 2018	Convertible note conversion (i)	81,300,813	1,140,078
17 August 2018	Share issue in lieu of fee for service (ii)	3,000,000	36,900
12 April 2019	Issue of shares – Acquisition of Vection (iii)	292,556,186	5,851,124
12 April 2019	Placement (iv)	111,111,111	2,000,000
12 April 2019	Share issue costs (iv)	-	(128,037)
12 April 2019	Share issue in lieu of fee for service (v)	8,130,435	93,500
24 June 2019	Share issue to establish placement facility (vi)	32,000,000	-
		657,171,676	19,397,897

(i) Convertible note conversion – refer to Note 9
(ii) Share based payment related to shares issued to a consultant in return for services to the value of $36,900, based on the market price of the shares at grant date
(iii) Consideration shares issued to the vendors of Vection – refer Note 20
(iv) Placement to sophisticated and professional investors of 111,111,111 Shares, at an issue price of $0.018 per Share raising $2 million (before costs)
(v) Share based payment related to issuance of Shares to a director related entity in lieu of fees for consulting services based on a deemed issue price of $0.0115, based on a 30-day VWAP to the grant as approved by shareholders on 11 April 2019 – refer Note 17
(vi) Collateral Shares issued under Controlled Placement Facility

	Consolidated	
	As at 30 June 2019	As at 30 June 2018
	$	$
11 RESERVES		
Share based payment reserve	272,500	272,500
Foreign currency translation reserve	(843)	(3,006)
	271,657	269,494

(i) Options/Rights	As at 30 June 2019	As at 30 June 2018	As at 30 June 2019	As at 30 June 2018
	Options/Rights No.	Options No.	$	$
Options ($0.30 exercise; 3 year expiry)	2,500,000	2,500,000	272,500	272,500
Performance rights (Note 17(iii))	150,000,000	-	-	-
	152,500,000	2,500,000	272,500	272,500

Date	Details	Rights and Options #	$
1 July 2018	Opening balance	2,500,000	272,500
12 April 2019	Performance rights (Vection consideration)	150,000,000	-
30 June 2019	Closing balance	152,500,000	272,500

(ii) Fair value of options

In consideration for raising capital for the Company in its March 2017 IPO listing, in the prior period, the Group issued 1,500,000 options to 1861 Capital and 1,000,000 options to Otsana Capital with a fair value of $0.109. This transaction was recognised as a share based payment of $272,500 with a corresponding increase in other reserves in the financial year ended 30 June 2017. As the directors were not able to determine the fair value of the service, the expense has been recognised with reference to the fair value of the options granted. The details of the variables utilised to determine the valuation under the Black Scholes model were as follows:

Particulars	Terms
Consideration	Nil
Exercise price	$0.30
Grant date	23 December 2016
Expiry date	3 Years from date of official quotation to ASX
Share price	$0.20
Expected volatility	100%
Dividend yield	0%
Risk free rate	1.78%

These options remain on issue as at the end of the period.

12 ACCUMULATED LOSSES

	Consolidated As at 30 June 2019 $	Consolidated As at 30 June 2018 $
Opening balance	(11,235,012)	(7,691,115)
Transfer of lapsed performance rights value	-	328,880
Loss for the period	(4,420,102)	(3,872,777)
Closing balance	(15,655,114)	(11,235,012)

13 EARNINGS PER SHARE

	Year Ended 30 June 2019 $	Year Ended 30 June 2018 $
Loss attributable to shareholders (overall)	(4,420,102)	(3,872,777)
Loss attributable to shareholders (continuing operations)	(4,502,612)	(3,421,124)
Profit (Loss) attributable to shareholders (discontinued operations)	82,510	(451,653)
Weighted average number of ordinary shares	292,390,105	110,347,307
Basic loss per share calculation (loss / weighted avg shares)	(1.512)	(0.039)
Basic loss per share calculation (continuing operations)	(1.540)	(0.037)
Basic profit/(loss) per share calculation (discontinued operations)	0.028	(0.002)

14 SEGMENT REPORTING	Discontinued Operations $	IT Development $	Outsourced Services $	Corporate $	Total $
Year ended 30 June 2019					
Segment Revenue	263,395	789,999	457,409	114,716	1,625,519
Significant items					
Employee benefits expense	(47,327)	(397,941)	(213,037)	(363,944)	(1,022,249)
Consulting and professional fees	(4,987)	(218,450)	(7,717)	(382,392)	(613,546)
Financing costs	(7,447)	(2,798)	(1,154)	(28,311)	(39,710)
Depreciation and amortisation	(599)	(37,132)	(109,117)	-	(146,848)
Other administrative expenses	(120,525)	(89,820)	(250,701)	(3,762,222)	(4,223,268)
Segment operating loss after tax	82,510	43,858	(124,317)	(4,422,153)	(4,420,102)
Year ended 30 June 2018					
Segment Revenue	10,330,410	255,040	200,004	20,280	10,805,734
Significant items					
Employee benefits expense	(8,588,683)	(286,810)	(358,743)	(1,522,038)	(10,756,274)
Consulting and professional fees	(69,368)	(14,468)	(11,204)	(658,916)	(753,956)
Financing costs	(35,071)	(487)	(1,407)	(194,672)	(231,637)
Depreciation and amortisation	(41,682)	(1,870)	(86,971)	(29,894)	(160,417)
Other administrative expenses	(2,047,260)	(99,529)	(224,854)	(404,584)	(2,776,227)
Segment operating loss after tax	(451,653)	(148,124)	(483,175)	(2,789,824)	(3,872,777)
Segment assets					
At 30 June 2019	-	1,646,376	196,272	4,091,157	5,933,805
At 30 June 2018	-	228,534	400,179	1,101,223	1,729,936
Segment liabilities					
At 30 June 2019	-	1,169,637	54,327	695,401	1,919,365
At 30 June 2018	-	48,657	73,304	2,169,161	2,291,122

(1) DESCRIPTION OF SEGMENTS

The Group's executive directors examine the Group's performance from a core operations perspective and have identified two reportable segments of its continuing business, being IT development and outsourced services.

(2) SEGMENT REVENUE AND RESULTS

Segment revenue reported above represents revenue generated from external customers. The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 1. Segment profit represents the profit before tax earned by each segment without allocation of central corporate and administration costs, employee benefits, depreciation and amortisation, and finance costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

(3) SEGMENT ASSETS AND LIABILITIES

All assets are allocated to reportable segments other than cash, GST receivables, office equipment, and certain other receivables. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments.

All liabilities are allocated to reportable segments other than borrowings, and corporate creditors. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets

	Consolidated Year ended 30 June 2019 $	Consolidated Year ended 30 June 2018 $
15 AUDITOR'S REMUNERATION		
Criterion Audit Pty Ltd (2018: BDO)		
Audit and other assurance services		
Audit and review of financial statements	26,000	57,601
Total remuneration for audit and other assurance services	26,000	57,601

16 SUBSIDIARIES

	Date of the Gain of Control	Country of Incorporation	Class of Shares	Equity holding 2019 %	Equity holding 2018 %
Parent Entity:					
ServTech Global Holdings Ltd		Australia	Ordinary		
Subsidiaries of ServTech Global Holdings Ltd:					
Sell Lease Property Pty Ltd	16/9/2016	Australia	Ordinary	100	100
Value Finance Pty Ltd[1]	16/9/2016	Australia	Ordinary	100	100
Complete Settlements Pty Ltd[1]	16/9/2016	Australia	Ordinary	100	100
Capitol Asset Management Pty Ltd[1]	16/9/2016	Australia	Ordinary	100	100
Real Estate Agent Performance Pty Ltd	16/9/2016	Australia	Ordinary	100	100
Technobrave Pty Ltd	16/9/2016	Australia	Ordinary	100	100
Critical Success Pty Ltd[1]	16/9/2016	Australia	Ordinary	100	100
Admin Tracker Pty Ltd[2]	16/9/2016	Australia	Ordinary	-	100
Admin Tracker Legal Pty Ltd	16/9/2016	Australia	Ordinary	100	100
Admin Tracker Finance Pty Ltd[2]	16/9/2016	Australia	Ordinary	-	100
Admin Tracker Property Management Pty Ltd[2]	16/9/2016	Australia	Ordinary	-	100
Admin Tracker Conveyancing Pty Ltd[2]	16/9/2016	Australia	Ordinary	-	100
Admin Tracker Real Estate Pty Ltd[2]	16/9/2016	Australia	Ordinary	-	100
ServTech Global PH Inc	8/12/2016	Philippines	Ordinary	100	100
SVT India Private Limited	23/3/2017	India	Equity	100	100
Vection Italy SRL	12/4/2019	Italy	Ordinary	100	-

1. The Group has made applications or is in the processing of applying to have these Group entities deregistered.
2. These entities were deregistered during the period

17 RELATED PARTY TRANSACTIONS

(i) Transactions with directors and key management personnel
The Group may enter into agreements for services rendered with individuals (or an entity that is associated with the individuals) during the ordinary course of business.

Key management personnel compensation	**Consolidated**	
	Year ended 30 June 2019	**Year ended 30 June 2018**
	$	**$**
Short term employee benefits	241,800	338,113
Post-employment benefits	-	111,000
Long-term benefits	7,698	3,601
Share-based payments	-	-
	249,498	827,574

A number of entities associated with the directors and key management personnel have consulting agreement in place which has resulted in transactions between the Group and those entities during the period. The terms and conditions of those transactions were no more favourable than those available, or which might reasonably be expected to be available, on similar transactions to unrelated entities on an arm's length basis.

		Transaction Value		**Outstanding Balance**	
		2019	**2018**	**2019**	**2018**
		$	**$**	**$**	**$**
Director	**Transaction**				
Mr Bert Mondello	Corporate advisory fees (a)	101,710	150,571	1,710	17,023
	Contract revenue (b)	388,700	142,903	45,760	-
	Technical consultancy (c)	55,000	-	-	-
Mr Gianmarco Orgnoni	Convertible note (d)	-	1,000,000	-	1,000,000
	Interest (e)	12,169	46,929	-	8,333
	Capital raising fees (f)	-	50,000	-	-

(a) Corporate advisory fees and administration services paid to Indomain Enterprises Pty Ltd (Indomain) under a Corporate Advisory Mandate. Invoices to the value of $88,000 were paid via Shares in the Company as approved by shareholders at the general meeting held on 11 April 2019;
- An entity associated with Mr B Mondello

(b) ServTech's subsidiary Technobrave Pty Ltd entered into a contract to provide services to Emerge Gaming Solutions Pty Ltd a subsidiary of Emerge Gaming Limited. Mr B Mondello is a director of Emerge Gaming Limited. This contract was signed on a commercial, arm-length basis;

(c) Technical Consultancy fees paid to Indomain under a consultancy agreement. Invoices to the value of $5,500 were paid via Shares in the Company as approved by shareholders at the general meeting held on 11 April 2019;
- An entity associated with Mr B Mondello

(d) On 22 November 2017, the Company announced that it had entered into a binding convertible loan facility agreement with Servnote Holding Pty Ltd (Servnote), to invest up to $1 Million in cash into the Company. On 10 August 2018, the Company obtained shareholder approval for conversion of the loan facility agreement proceeds into fully paid ordinary shares of the Company;

(e) Interest payments to Servnote in relation to the $1 Million convertible loan facility;

(f) Capital raising fee paid to Servnote;
- Mr G Orgnoni is the sole director of Servnote. He is not a party to the investor group which Servnote was established to hold

17 RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Loans to Directors
There were no loans outstanding to directors at year end.

(iii) Performance Rights

As part of the consideration for the Acquisition of Vection, Officine8K SRL, an entity associated with Mr Gianmarco Biagi and Mr Lorenzo Biagi was granted 150,000,000 performance rights in three tranches with the following terms:

- Tranche 1 Performance Rights: 50,000,000 Performance Rights each converting into Shares (on a one for one basis) upon Vection's earnings before interest, tax, depreciation and amortization at the end of a financial year being at least $500,000 (as verified by the Company's auditors) within 24 months of the settlement of the Acquisition;
- Tranche 2 Performance Rights: 50,000,000 Performance Rights each converting into Shares (on a one for one basis) upon the revenue generated by the business of Vection achieving a minimum of $1,500,000 (as verified by the Company's auditors) within 24 months of settlement of the Acquisition; and
- Tranche 3 Performance Rights: 50,000,000 Performance Rights each converting into Shares (on a one for one basis) upon:
    a. the volume weighted average price for the Shares on twenty (20) consecutive days on which sales are recorded being no less than $0.03; and
    b. the revenue generated by the business of Vection achieving a minimum of $2,500,000 (as verified by the Company auditors) within 36 months of settlement of the Acquisition.

In relation to each class of performance right, the Directors have assessed the probability of meeting the non-market based conditions as 0%. Accordingly, no amount in relation to these performance rights has been recognised in the Statement of Profit or Loss and Other Comprehensive Income or in the remuneration disclosures for Directors and key management personnel.

18 CONTINGENT LIABILITIES

The Group did not have any contingent liabilities as at Reporting Date.

19 EVENTS OCCURING AFTER THE REPORTING PERIOD

There were no matters or circumstances arising since the end of the reporting period that have significantly affected, or may significantly affect the operations of the Company and the results of those operations or the state of the affairs of the Company in the financial period subsequent to 30 June 2019.

20 VECTION ACQUISITION

On 12 April 2019, the Group completed the acquisition ("Acquisition") of 100% issued capital and voting rights in Officine 8K SRL renamed Vection Italy SRL ("Vection").

(a) Acquisition Consideration

The consideration for the Acquisition comprised the issue to the Vection vendors of:

- 292.5 million fully paid ordinary shares to the Vection vendors
- 150 million performance rights to the Vection vendors

Under the principles of AASB 3, the assets and liabilities of Vection are measured at fair value on the date of Acquisition.

(b) Goodwill

Goodwill is calculated as the difference between the fair value of consideration transferred less the fair value of the identified net assets of Vection. Details of the transaction are as follows:

	Fair Value
	$
Consideration	
292.5 million fully paid ordinary shares to the Vection vendors	5,851,124
150 million performance rights to the Vection vendors	-
Total consideration	5,851,124
	$
Fair value of assets and liabilities held at acquisition date:	
Cash	56,154
Trade and other receivables	494,018
Property, plant and equipment	25,888
Trade and other payables	(1,398,766)
Intellectual property	2,811,417
Rights of use intangible asset	666,064
Other intangible assets (patents and development costs)	111,690
Intangible assets (subtotal)	3,589,171
Fair value of identifiable assets and liabilities assumed	2,766,465
Consideration paid	5,851,124
Less fair value of identifiable assets and liabilities assumed	(2,766,465)
Provisional assessment of intangibles	3,084,659
Less provision of impairment[1]	(3,084,659)
	-

1. Management conducted a provisional impairment assessment of the intangible assets resulting from the acquisition of Vection. Based on impairment indicators and relevant information such as the Company's market capitalisation, the above impairment expense was recognised.

21 PARENT ENTITY INFORMATION

The following details information related to the Parent entity, ServTech Global Holdings Limited, at 30 June 2019. The information presented here has been prepared using consistent accounting policies as presented in note 1.

	Year ended 30 June 2019 $	Year ended 30 June 2018 $
Current assets	971,296	29,891
Non-current assets	2,766,465	-
Total assets	3,737,761	29,891
Current liabilities	357,709	1,889,659
Non-current liabilities	15,845	-
Total liabilities	373,555	1,889,659
Contributed equity	19,397,897	10,404,332
Option reserve	272,500	272,500
Accumulated losses	(16,306,191)	(12,536,600)
Total equity/(deficiency)	3,364,206	(1,859,768)
Loss for the year	(3,769,591)	(4,843,773)
Other comprehensive income / (loss) for the year	-	-
Total comprehensive (loss) for the year	(3,769,591)	(7,692,827)

Guarantees in relation to subsidiaries
ServTech Global Holdings Limited does not have any guarantees in relation to subsidiaries (2018: nil).

Contingent liabilities
ServTech Global Holdings Limited has no material contingent liabilities which are not disclosed in this report.

Commitments
ServTech Global Holdings Limited has the following commitments:

	Year ended 30 June 2019 $	Year ended 30 June 2018 $
Within one year	95,064	87,142
After one year but not more than five years	15,845	118,831
	110,909	205,973

These commitments do not form part of the group's capital commitments as detailed in Note 25, as they have been fully provided for under the onerous lease provision as detailed in Note 8.

22 INCOME TAX EXPENSE

	Consolidated	
	Year ended 30 June 2019	Year ended 30 June 2018
	$	$
(a) Income tax expense		
Current tax	-	-
Deferred tax	-	-
Income tax expense	-	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss from continuing operations before income tax expense	(4,420,102)	(3,872,777)
Tax at the Australian tax rate of 27.5% (2018:30%)	(1,215,528)	(1,065,014)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income	(2,543)	73,646
Tax effect of other deductible amounts not included in accounting loss	-	-
Tax losses and other timing differences for which no DTA is recognised	1,218,071	991,368
Income tax expense	-	-
(c) Unrecognised deferred tax assets and liabilities		
The directors estimate that the potential future income tax benefits carried forward but not brought to account at year end at the Australian corporate tax rate of 27.5% (2017: 30%) are made up as follows:		
Australian tax losses	2,780,868	2,352,526
Australian capital losses	106,236	-
Australian CGT assets	57,268	-
Australian taxable temporary differences	276,275	389,533
Unrecognised net deferred tax assets	3,220,647	2,742,059

The tax benefits of the above deferred tax assets will only be obtained if:

(i) the Company derives future assessable income of a nature and amount sufficient to enable the benefits to be utilised;
(ii) the Company complies with the conditions for deductibility imposed by law; and
(iii) no changes in income tax legislation adversely affecting the Company in utilising the benefits.

23 FINANCIAL ASSETS

For all financial instruments held as at 30 June 2019, the carrying value approximates fair value.

24 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk, interest rate risk, credit risk and liquidity risk. The Group'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 Group. The Group uses different methods to measure different types of risk to which it is exposed.

The Company's Board of Directors performs the duties of a risk management committee in identifying and evaluating sources of financial and other risks. The Board seeks to apply principles for overall risk management which balance the potential adverse effects of financial risks on the Group's financial performance and position with the "upside" potential made possible by exposure to these risks and by taking into account the costs and expected benefits of the various methods available to manage them.

24 FINANCIAL RISK MANAGEMENT (CONTINUED)

The Group holds the following financial instruments:

	Consolidated	
	Year ended 30 June 2019	Year ended 30 June 2018
	$	$
Financial assets		
Cash and cash equivalents	796,569	513,754
Receivables (current)	1,442,404	1,054,876
	2,238,973	1,568,630
Financial liabilities		
Payables (current)	967,959	834,414
Interest bearing liabilities	-	1,140,078
	967,959	1,974,492

(a) Market Risk

(i) Interest rate risk

As at and during the year ended on reporting date, the Group had no significant interest bearing assets or liabilities other than liquid funds on deposit and an outstanding debt owed by The Agency. As such, the Group's income and operating cash flows (other than interest income from funds on deposit and interest expense on the facility loan) are substantially independent of changes in market interest rates. The Group's exposure to interest rate risk for each class of financial assets and liabilities is set out below:

	Consolidated	
	Year ended 30 June 2019	Year ended 30 June 2018
	$	$
Financial assets		
Cash and cash equivalents at floating rate	796,569	513,754
Receivables owing from The Agency at fixed rate	514,251	-
Financial liabilities		
Interest bearing liabilities*	-	1,140,078*

*Includes an additional amount of $140,078 which has been recognised to account for the costs of the facility based on its terms. The $1,000,000 face value only of the facility which is the basis for the fixed interest charged of 10% pa.

Group sensitivity

At 30 June 2019, if interest rates had changed by +/- 100 basis points from the year end with all other variables held constant, the loss for the year would have been $7,966 lower/higher (2018: $5,137 higher/lower), as a result of a lower/higher interest income from cash and cash equivalents.

(ii) Commodity risk pricing

The Group is not exposed to commodity risk price risk.

24 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers. For banks and financial institutions, only independently rated parties with a minimum of 'A' are accepted. The Group trades only with recognised, trustworthy third parties. It is the Group's policy to perform credit verification procedures in relation to any customer's financial position and any past experience to set individual risk limits as determined by the Board.

The maximum exposure to credit risk at the reporting date is the carrying amount of the following financial assets:

	Consolidated	
	Year ended 30 June 2019	Year ended 30 June 2018
	$	$
Cash and cash equivalents	796,569	513,754
Receivables (current)	1,442,404	1,054,876
Receivables (non-current)	-	-
	2,238,973	1,568,630

The Company's main customer is The Agency Group Australia (The Agency). The Agency represents ~35% (2018: 65%) of the Company's receivables as at 30 June 2019 and the Company has a material contract to provide services to this customer going forward. As a result, the Company has a degree of reliance on its continued relationship with The Agency. The Company intends to broaden its base on customers but in the interim is satisfied that The Agency, an ASX listed company, is not a credit risk.

(c) Liquidity risk

Prudent liquidity risk management involves the maintenance of sufficient cash, marketable securities, committed credit facilities and access to capital markets. It is the policy of the Board to ensure that the Group is able to meet its financial obligations and maintain the flexibility to pursue attractive investment opportunities through keeping committed credit lines available where possible, ensuring the Group has sufficient working capital and preserving the 15% share issue limit available to the Company under the ASX Listing Rules. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Maturities of financial liabilities

As at the reporting date the Group has total financial liabilities of $967,959 (2018: $1,974,492), comprised solely in the current year of trade creditors and accruals of $967,959 (2018: $834,414) with a maturity of 1 – 3 months and interest bearing liabilities of Nil (2018: $1,140,078).

24 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Fair value measurements

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The Company did not have any non-current financial assets or financial liabilities in the current year.

(e) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders.

The capital structure of the Group consists of cash equivalents and equity attributable to equity holders of the Parent. The Group is not subject to externally imposed capital requirements.

(f) Foreign exchange risk

As a result of operations in the Philippines, India and Italy, the Group's Statement of Financial Position can be affected by movements in the Philippine Peso (PHP)/AUD, Indian Rupee (INR)/AUD and Euro (EUR)/AUD exchange rates. The Group also has transactional currency exposures. Such exposure arises from sales or purchases by an operating entity in currencies other than the functional currency.

The Group had the following exposure to foreign currency:

	30 June 2019			30 June 2018		
	EUR	**PHP**	**INR**	**EUR**	**PHP**	**INR**
Financial assets	**A$**	**A$**	**A$**	**A$**	**A$**	**A$**
Cash and cash equivalents	56,154	34,489	525	-	16,546	9,715
Receivables	468,891	-	-	-	27,206	29,270
	525,045	34,489	525	-	43,752	38,985
Financial liabilities						
Payables	431,729	12,070	719	-	15,567	26,061
	431,729	12,070	719	-	15,567	26,061
	93,316	22,419	(194)	-	28,185	12,924

The following sensitivity is based on a 10% movement of EUR, PHP and INR against the AUD and the effect on the net profit or loss and equity of the Group for the period to 30 June 2019, with all other variables held constant:

	30 June 2019		30 June 2018	
	Profit	**Equity**	**Profit**	**Equity**
	$	**$**	**$**	**$**
EUR, PHP, INR increasing 10% against AUD	11,554	11,554	4,111	4,111
EUR, PHP, INR decreasing 10% against AUD	(11,554)	(11,554)	(4,111)	(4,111)

25 COMMITMENTS

The Group has entered into the following commercial leases for office accommodation:

Perth office: The property lease is a non-cancellable lease with a three year term, with rent payable monthly in advance. On 12 February 2018, the Company entered into a sublease agreement for the Perth Office and subsequently onerous lease provision has been provided (refer to note 8).

Philippines office: The property lease is a non-cancellable lease with a two term to 31 March 2021, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require the minimum lease payments shall be increased by 3% per annum. The lease can be renewed subject to mutual agreement by the lessor and lessee.

India office: The property lease is a non-cancellable lease with a monthly term extended by mutual agreement by the lessor and lessee.

Italy office: The property lease is a non-cancellable lease with a six year term, with rent payable quarterly in advance.

	Consolidated	
	Year ended 30 June 2019	Year ended 30 June 2018
	$	$
Within one year	231,599	68,259
After one year but not more than five years	249,806	-
	481,405	68,259

26 DISCONTINUED OPERATIONS

On 15 September 2017, the Company announced the sale of its property management and rent roll business. The property rent roll business was conducted through subsidiary Capitol Asset Management Pty Ltd (CAM). Following adjustments from the sale transition process, the rent roll was sold for consideration of ~$660,000.

On 21 February 2018, the Company announced the completion of binding sales agreements with The Agency Group Australia Limited. The agreements were executed between the Company's subsidiaries (Sell Lease Property Pty Ltd, Complete Settlements Pty Ltd and Value Finance Pty Ltd) and wholly owned subsidiaries of The Agency. Under the agreements, The Agency's subsidiaries acquire the assets of each of the Company's subsidiaries. Consideration for these agreements was $950,000.

Each of these entities: Capitol Asset Management Pty Ltd, Sell Lease Property Pty Ltd, Complete Settlements Pty Ltd and Value Finance Pty Ltd are considered discontinued operations.

	Year Ended 30 June 2019	Year Ended 30 June 2018
	$	$
Profit (Loss) for the year after income tax from discontinued operations	82,510	(451,653)

ADDITIONAL ASX INFORMATION

NUMBER OF HOLDINGS OF EQUITY SECURITIES AS AT 31 AUGUST 2019

The fully paid issued capital of the Company consisted of 657,171,676 ordinary fully paid shares held by 452 shareholders. Each share entitles the holder to one vote.

DISTRUBUTION OF HOLDERS OF EQUITY SECURITIES AS AT 31 AUGUST 2019

Spread of holdings	Number of holders	Number of shares	% Held
1 - 1,000	6	1,831	0.00%
1,001 - 5,000	21	69,759	0.01%
5,001 - 10,000	40	384,300	0.06%
10,001 - 100,000	189	7,948,448	1.21%
100,001 – and over	196	648,767,338	98.72%
Totals	**452**	**657,171,676**	**100.00%**

Unmarketable parcels	Minimum parcel size	Holders	Units
Minimum $500 parcel at $0.016 per unit	31,250	157	2,200,183

There are 2,500,000 unlisted options with an exercise price of $0.30 and expiry 3 years from issue date held by 8 option holders. Options do not carry a right to vote.

Spread of holdings	Number of holders	Number of options	% Held
1 - 1,000	-	-	-
1,001 - 5,000	-	-	-
5,001 - 10,000	-	-	-
10,001 - 100,000	6	500,000	20.00%
100,001 – and over	2	2,000,000	80.00%
Totals	**8**	**2,500,000**	**100.00%**

SUBSTANTIAL SHAREHOLDERS AS AT 31 AUGUST 2019

The names of substantial shareholders the Company is aware of from the register, or who have notified the Company in accordance with Section 671B of the Corporations Act are:

Substantial shareholder	Number of shares	% Held
OFFICINE 8K S R L	292,556,186	44.52%

TWENTY LARGEST SHAREHOLDERS OF QUOTED EQUITY SECURITIES

TOP 20 HOLDERS OF ORDINARY FULLY PAID SHARES AS AT 31 AUGUST 2019

Rank	Shareholder	Number of shares	% Held
1	OFFICINE 8K S R L	292,556,186	44.52%
2	ACUITY CAPITAL INVESTMENT MANAGEMENT PTY LTD <ACUITY CAPITAL HOLDINGS A/C>	32,000,000	4.87%
3	CROSSBAY PTY LTD	22,450,000	3.42%
4	MR KEITH JAMES SCUDDS & MRS PATRICIA ANNE SCUDDS	19,972,117	3.04%
5	SURF COAST CAPITAL PTY LTD <MINNIE P/F A/C>	17,500,000	2.66%
6	CITICORP NOMINEES PTY LIMITED	13,240,201	2.01%
7	MR MAZLEE BIN MUHAMMAD JUNID & MRS ROZALINA MUSTAFA <AREMAZ FAMILY A/C>	11,111,111	1.69%
8	TYRRHENIAN HOLDINGS PTY LTD <TYRRHENIAN A/C>	9,953,130	1.51%
9	MRS TANIA MCKIERNAN	8,889,000	1.35%
10	HIGH CONVICTION HOLDINGS PTY LTD <SMITH FAMILY A/C>	8,342,280	1.27%
11	MR DAMIEN TERENCE MICHAEL RHODES	8,000,000	1.22%
12	SUNSET CAPITAL MANAGEMENT PTY LTD <SUNSET SUPERFUND A/C>	7,398,374	1.13%
13	MR KELVIN WONG WENG WAH	6,000,000	0.91%
14	TRADITIONAL SECURITIES GROUP PTY LTD <LPR FAMILY A/C>	5,990,041	0.91%
15	BT PORTFOLIO SERVICES LIMITED <MRS BRONWYN ROBERTSON A/C>	5,913,236	0.90%
16	BIG LEAP SUPER PTY LTD <BIG LEAP SUPER A/C>	5,176,152	0.79%
17	RIMOYNE PTY LTD	5,139,594	0.78%
18	ASHTON LEN PTY LTD <ASHTON LEN A/C>	5,000,000	0.76%
19	SHELF PTY LTD <THE CRUZ A/C>	4,925,041	0.75%
20	IONIAN HOLDINGS PTY LTD	4,898,829	0.75%
20	KIORAKU PTY LTD <KIORAKU A/C>	4,898,829	0.75%
	Total	**88,839,838**	**68.84%**

DIRECTORS' DECLARATION

In the opinion of the directors of ServTech Global Holdings Limited:

(a) the financial statements and notes are in accordance with the *Corporations Act 2001*, including:

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

  (ii) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

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

(c) The financial statements and notes comply with the International Financial Reporting Standards as disclosed in Note 1.

This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporation Act 2001 for the financial year ending 30 June 2019.

Signed in accordance with a resolution of the directors.

Mr Bert Mondello
Chairman

Dated at Perth, Western Australia this 30th day of September 2019.

CRITERION AUDIT

Criterion Audit Pty Ltd

ABN 85 165 181 822

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SUBIACO WA 6008

Phone: 6380 2555 Fax: 9381 1122

Independent Auditor's Report

To the Members of ServTech Global Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying financial report of ServTech Global Holdings Limited ("the Company") and Controlled Entitites ("the Consolidated Entity") , which comprises the consolidated statement of financial position as at 30 June 2019, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

   i. giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2019 and of its financial performance for the year then ended; and

   ii. complying with Australian Accounting Standards and the Corporations Regulations 2001;

b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

Material Uncertainty Regarding Continuation as a Going Concern

Without modifying our opinion above, we draw attention to Note 1(e) to the annual report, which indicates that the Consolidated Entity incurred a net loss of $4,420,102 and as of that date, the Company had net operating cash outflows of $1,518,923. These conditions, along with other matters as set forth in Note 1(e), indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Company to 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.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key Audit Matters

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

In addition to the matters described in the Audit Opinion, and Material Uncertainty Regarding Continuation as a Going Concern, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Accounting for Business Combination The acquisition of Vection Italy SRL as disclosed in Note 20 of the consolidated financial statements is a key audit matter due to the size of the acquisition (purchase consideration of $5,851,124) and complexities inherent in a business acquisition. Management has completed a process to allocate the purchase consideration to tangible assets and separately identifiable intangible assets. A provisional allocation of intangibles has also been conducted. This process involved estimation and judgement of future performance of the business and discount rates applied to future cash flows forecasted.	Procedures performed as part of our assessment of the transaction to determine if the appropriate accounting treatment was applied, included: • Reviewing the acquisition agreement to understand the key terms and conditions, and confirming our understanding of the transaction with management; • Assessed the deemed consideration with the terms of the acquisition agreement; • Reviewed acquisition date balance sheet to acquisition agreement and underlying supporting documentation; • Assessed the fair value of assets and liabilities acquired to the fair value assessment conducted by management, which included an estimation of the fair value of intangibles recorded at the date of acquisition; • We assessed the appropriateness of the disclosures included in Note 20 to the financial report.

Other Information

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

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

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

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

Directors' Responsibility 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 Note 1(a), the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the ability of the Company 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 Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of the Company, for the year ended 30 June 2019, complies with section 300A of the Corporations Act 2001.

Responsibilities

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

Criterion Audit

CRITERION AUDIT PTY LTD

Watts

CHRIS WATTS CA
Director

DATED at PERTH this 30th day of September 2019