OAKAJEE CORPORATION LIMITED

ACN 123 084 453

Preliminary Financial Report and Appendix 4E
For the year ended 30 June 2013

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RESULTS FOR ANNOUNCEMENT TO MARKET (Appendix 4E)

Current Reporting Period: Year ended 30 June 2013
Previous Reporting Period: Year ended 30 June 2012

Revenue and Net Profit	**Percentage change (%)**	**2013 Amount $**	**2012 Amount $**
Revenue	(93%)	319,854	4,374,371
(Loss) / Earnings before interest, taxation, depreciation and amortisation	(243%)	(5,202,836)	3,638,515
Net (loss) / profit	(301%)	(5,182,435)	2,574,841
Net (loss) / profit for the period attributable to members	(301%)	(5,182,435)	2,574,841
Total comprehensive loss	549%	(6,154,441)	(947,629)

Brief Explanation of Revenue and Net Profit

The net loss after income tax attributable to members of the Company for the financial year ended 30 June 2013 amounted to $5,182,435 (Profit 2012: $2,574,841).

Revenue for the year comprises of interest earned on cash holdings, office sub-lease income and profit made on sale of listed investments.

Expenses of $5,525,501 mainly comprises of impairment expense, employee benefit expenses, travel expenses and general corporate overheads.

Review of Operations

The financial year ended 30 June 2013 has proven to be a difficult year for Oakajee Corporation Ltd.

The value of the Company's available for sale investments had fallen from $9,149,200 at 30 June 2012 to $5,113,550 at 30 June 2013, and the Company recorded a loss from operations for the year of $5,182,435 compared to a profit of $2,574,841 in the previous year.

The company's investment in Kingrose Mining Ltd, Elemental Minerals Ltd and Millenium Minerals Limited were, along with many other listed mining companies, adversely affected by erosion in commodity prices and market sentiment.

The company's investment in Ezeatm Ltd has similarly been adversely affected by internal issues and Oakajee's representative on the Board of Ezeatm is working with the other continuing Board members to restructure its operations. This restructure is anticipated to restore shareholder value in the Company and consequently market confidence in its operations and prospects.

The Board has reviewed a number of mining investment opportunities during the year, however in view of the current investment market conditions none of these prospects have met all of the Board's criteria for investment approval. The Board will continue to evaluate new opportunities in 2014.

At the end of the year ended 30 June 2013, the Company had net assets of $4,008,191.

NTA Backing	**Year ended 30 June 2013**	**Year ended 30 June 2012**
Net Tangible Asset Backing per Security (cents/security)	8.91	23.58

Dividends Paid and Declared

No dividends were paid during the year and the directors recommend that no dividends be paid or declared for the financial year ended 30 June 2013.

Audit Report

The preliminary final report is based on accounts which are in the process of being audited.

OAKAJEE CORPORATION LIMITED

ACN 123 084 453

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
Revenue			
Other income	2	319,854	647,664
Unrealised gain on loss of significant influence in associate		-	3,726,707
Expenses			
Administration expenses		95,408	173,162
Impairment expense	2	5,052,740	-
Employee benefit expense	2	284,428	280,071
Consulting expense		73,620	133,362
Lease expense	2	-	9,272
Depreciation and amortisation expense	2	2,811	1,608
Share of loss of associate		-	6,807
Travel expenses		16,494	130,853
Loss on deconsolidation		-	2,329
(Loss)/Profit Before Income Tax		**(5,205,647)**	**3,636,907**
Income tax benefit/(expense)		23,212	(1,062,066)
Net (Loss)/Profit after tax from continuing operations		**(5,182,435)**	**2,574,841**
Other comprehensive income, net of income tax			
Items that may be reclassified to profit or loss			
Net change in fair value of available-for-sale financial assets		(886,580)	(4,373,400)
Reclassification to profit or loss on disposal of available-for-sale financial assets		(502,000)	(658,700)
Income tax relating to these items		416,574	1,509,630
Total comprehensive loss for the year		**(6,154,441)**	**(947,629)**
Basic and Diluted (Loss)/Earnings per share (cents per share)		(11.98)	7.92

The above preliminary statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 $	2012 $
Current assets			
Cash and cash equivalents		26,685	19,432
Trade and other receivables		12,986	122,946
Other assets		6,560	7,438
Total current assets		**46,231**	**149,816**
Non-current assets			
Property, plant and equipment		6,316	2,696
Available-for-sale financial assets		5,113,550	9,149,200
Total non-current assets		**5,119,866**	**9,151,896**
Total assets		**5,166,097**	**9,301,712**
Current liabilities			
Trade and other payables		94,822	136,132
Total current liabilities		**94,822**	**136,132**
Non-current liabilities			
Deferred tax liabilities		1,063,084	1,502,948
Total non-current liabilities		**1,063,084**	**1,502,948**
Total liabilities		**1,157,906**	**1,639,080**
Net assets		**4,008,191**	**7,662,632**
Equity			
Issued capital	3	6,531,169	4,031,169
Reserves		378,000	1,350,006
Accumulated losses		(2,900,978)	2,281,457
Total equity		**4,008,191**	**7,662,632**

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

	Issued Capital	Accumulated Losses	Unrealised Gains Reserve	Total Equity
	$	$	$	$
Balance as at 30 June 2011	4,031,169	(293,384)	4,872,476	8,610,262
Net profit for the period	-	2,574,841	-	2,574,841
Other comprehensive loss, net of tax	-	-	(3,522,470)	(3,522,470)
Total comprehensive loss for the year	-	2,574,841	(3,522,470)	(947,629)
Balance as at 30 June 2012	4,031,169	2,281,457	1,350,006	7,662,632
Net loss for the period	-	(5,182,435)	-	(5,182,435)
Other comprehensive loss, net of tax	-	-	(972,006)	(972,006)
Total comprehensive loss for the year	-	(5,182,435)	(972,006)	(6,154,441)
Shares issued during the year	2,500,000	-	-	2,500,000
Balance as at 30 June 2013	6,531,169	(2,900,978)	378,000	4,008,191

The above preliminary statement of changes in equity
should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 $	2012 $
		Inflows/(Outflows)	
Cash flows from operating activities			
Payments to suppliers and employees		(510,421)	(748,710)
Interest received		12,560	17,436
Dividends received		110,000	-
Receipts from sublessees		1,815	66,147
Net cash flows used in operating activities		(386,046)	(665,127)
Cash flows from investing activities			
Proceeds from sale of shares in listed entities		399,219	507,965
Payments for listed investments		(2,499,488)	-
Payments for property, plant and equipment		(6,432)	(989)
Net cash flows provided by/(used in) investing activities		(2,106,701)	506,976
Cash flows from financing activities			
Proceeds from issue of securities		2,500,000	-
Net cash flows provided by financing activities		2,500,000	-
Net increase/(decrease) in cash and cash equivalents		7,253	(158,151)
Cash and cash equivalents at the beginning of the financial year		19,432	177,583
Cash and cash equivalents at end of financial year		**26,685**	**19,432**

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

NOTES TO THE PRELIMINARY FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

1. Statement of Significant Accounting Policies

The following is a summary of the material accounting policies adopted by the Company in the preparation of the preliminary financial report. The accounting policies have been consistently applied, unless otherwise stated.

a) Basis of Preparation

The preliminary financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, applicable Australian Accounting Standards, Accounting Interpretations and other mandatory professional reporting requirements. The financial report has been prepared on a historical cost basis, except for available-for-sale financial assets which have been recognised at fair value, and is presented in Australian dollars. Oakajee Corporation Limited is a company limited by shares, incorporated and domiciled in Australia whose shares commenced public trading on the Australian Securities Exchange on 11 June 2008. The Company was registered on 11 December 2006.

b) Significant accounting judgements, estimates and assumptions

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

Impairment of available-for-sale financial assets

The Company follows the guidance of AASB 139 Financial Instruments: Recognition and Measurement to determine when an available-for-sale financial asset is impaired. This determination requires significant judgement. In making this judgement, the Company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost and the financial health of and short-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows. An impairment expense of $5,052,740 (2012: $nil) has been recognised during the year against the Company's available-for-sale financial assets as these investments have experienced a significant or prolonged decline in its fair value below their cost.

c) Revenue Recognition

Revenues are recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue can be recognised:

(i) Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(ii) Dividends

Dividends are recognised as revenue when the Company's right to receive the payment is established.

NOTES TO THE PRELIMINARY FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2013

c) **Revenue Recognition (continued)**

(iii) Rental Income

Rental income from subleases is accounted for on a straight-line basis over the lease term. Contingent rental income is recognised as income in the periods in which it is earned. Lease incentives are recognised as an integral part of the total rental income.

d) **Leases**

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Operating leases

The minimum lease payments of operating leases, where the lessor effectively retains substantially all the risks and benefits of the leased item, are charged as expenses in the periods in which they are incurred.

e) **Cash and cash equivalents**

Cash comprises cash at bank and on hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

f) **Trade and other receivables**

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less an allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income 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 account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

NOTES TO THE PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

g) **Derecognition of financial assets and liabilities**

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either:

  (a) has transferred substantially all the risks and rewards of the asset, or

  (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Company could be required to repay.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

h) **Income tax**

The income tax expense or benefit for the period is the tax payable on the current 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 difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects

h) **Income tax (continued)**

- neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax assets is only recognised to the extent that it is probable that the temporary difference will revise in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

i) **Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred on a purchase of goods and services is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables in the statement of financial position are shown inclusive of GST. The net amount of GST recoverable or payable is included as a current asset or current liability in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable or payable are classified as operating cash flows.

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

NOTES TO THE PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

j) Property plant and equipment

Property, plant and equipment is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Depreciation
Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

Class of fixed asset	Depreciation rate
Office Furniture	20%
Computer Software and Equipment	25%

Impairment
The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

Derecognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal and the carrying amount of the asset) is included in profit and loss in the year the asset is derecognised.

k) Financial Assets

Financial assets within the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Company determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

(i) Financial assets at fair value through profit or loss
Financial assets classified as held for trading are included in the category ‘financial assets at fair value through profit or loss’. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments
Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are

k) **Financial Assets (continued)**

(ii) Held-to-maturity investments (continued)
intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments
Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

l) **Impairment of financial assets**

(i) Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the presented value of the estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and is current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-

NOTES TO THE PRELIMINARY FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2013

l) **Impairment of financial assets (continued)**

(ii) Available-for-sale investments (continued)

sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

m) **Impairment of tangible assets**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash- generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

n) **Trade and other payables**

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

o) **Employee leave benefits**

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

p) **Issued capital**

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are shown in equity as a deduction, net of tax, from the proceeds received.

q) **Earnings per share**

Basic earnings or loss per share is calculated as net profit or loss after income tax attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares outstanding, adjusted for any bonus elements in ordinary shares issued during the year.

Diluted earnings or loss per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

r) **Going concern**

The financial report has been prepared on the basis of accounting principles applicable to a going concern which assumes the commercial realisation of the future potential of the Company's assets and the discharge of its liabilities in the normal course of business.

The Company has cash and cash equivalents at 30 June 2013 of $ 26,685 and net operating cash outflows of $388,846 for the year ended on that date.

Notwithstanding the above, the accounts have been prepared on a going concern basis for the following reasons.

The Company has available-for-sale financial assets with a market value of $5,113,550 at 30 June 2013. These available-for-sale financial assets represent investments in listed companies which are traded on ASX. Within this, $2,420,000 of available-for-sale financial assets held relates to investments held in Ezeatm Limited, which are escrowed up until 5 October 2013 and therefore cannot be disposed of until that date. However, the Company has the ability to sell the remaining $2,693,550 investments in a liquid market as and when the need for additional working capital arises. Listed shares were disposed of during the year ended 30 June 2013 for total proceeds of $399,219. Further tranches will be sold if and when the need arises.

Furthermore, on 22 August 2013, the Company completed a capital raising of $600,000 by way of issue of 6,000,000 ordinary shares at 10 cents each.

Accordingly, the Directors believe that Oakajee Corporation Limited has access to sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the financial report.

s) **Segment Reporting**

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

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FOR THE YEAR ENDED 30 JUNE 2013

t) **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

2. Revenue and expenses

	2013 $	2012 $
(a) Revenue		
Interest income	12,560	17,076
Rental income	1,815	59,823
Dividend received	-	110,000
Gain on sale of listed investments	305,479	460,765
	319,854	647,664
(b) Depreciation		
Property plant and equipment	2,811	1,608
(c) Employee and director's benefits expenses		
Salary and wages	270,766	266,409
Annual leave expense	13,662	13,662
	284,428	280,071
(d) Operating leases		
Office Rental included in administration expenses	19,775	80,032
Lease expense	-	9,272
	19,775	89,304
(e) Impairment expense		
Available-for-sale financial assets	5,052,740	-

3. Issued capital

	2013 $	2012 $
Issued and paid up capital		
45,000,000 (2012: 32,500,000) ordinary shares fully paid	6,531,169	4,031,169

Movements in fully paid ordinary shares during the year were as follows:

	2013		2012	
	No. of Shares	**$**	**No. of Shares**	**$**
Movements in shares on issue				
Opening balance	32,500,000	4,031,169	32,500,000	4,031,169
Share placement 13 July 2012	5,000,000	1,000,000	-	-
Share placement 14 Sept 2012	7,500,000	1,500,000	-	-
Closing balance	45,000,000	6,531,169	32,500,000	4,031,169

NOTES TO THE PRELIMINARY FINANCIAL REPORT

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4. Segment Reporting

AASB 8 *Operating Segments* requires operating segments to be identified on the basis of internal reports about components of the Company that are reviewed by the chief operating decision maker in order to allocate resources to the segment and assess its performance. The chief operating decision maker for Oakajee Corporation Limited reviews internal reports prepared as financial statements and strategic decisions of the Company are determined upon analysis of these internal reports. During the period, the Company operated predominantly in one segment being the investment sector in Australia. Accordingly, under the "management approach" outlined only one operating segment has been identified and no further disclosure is required in the notes to the financial statements.