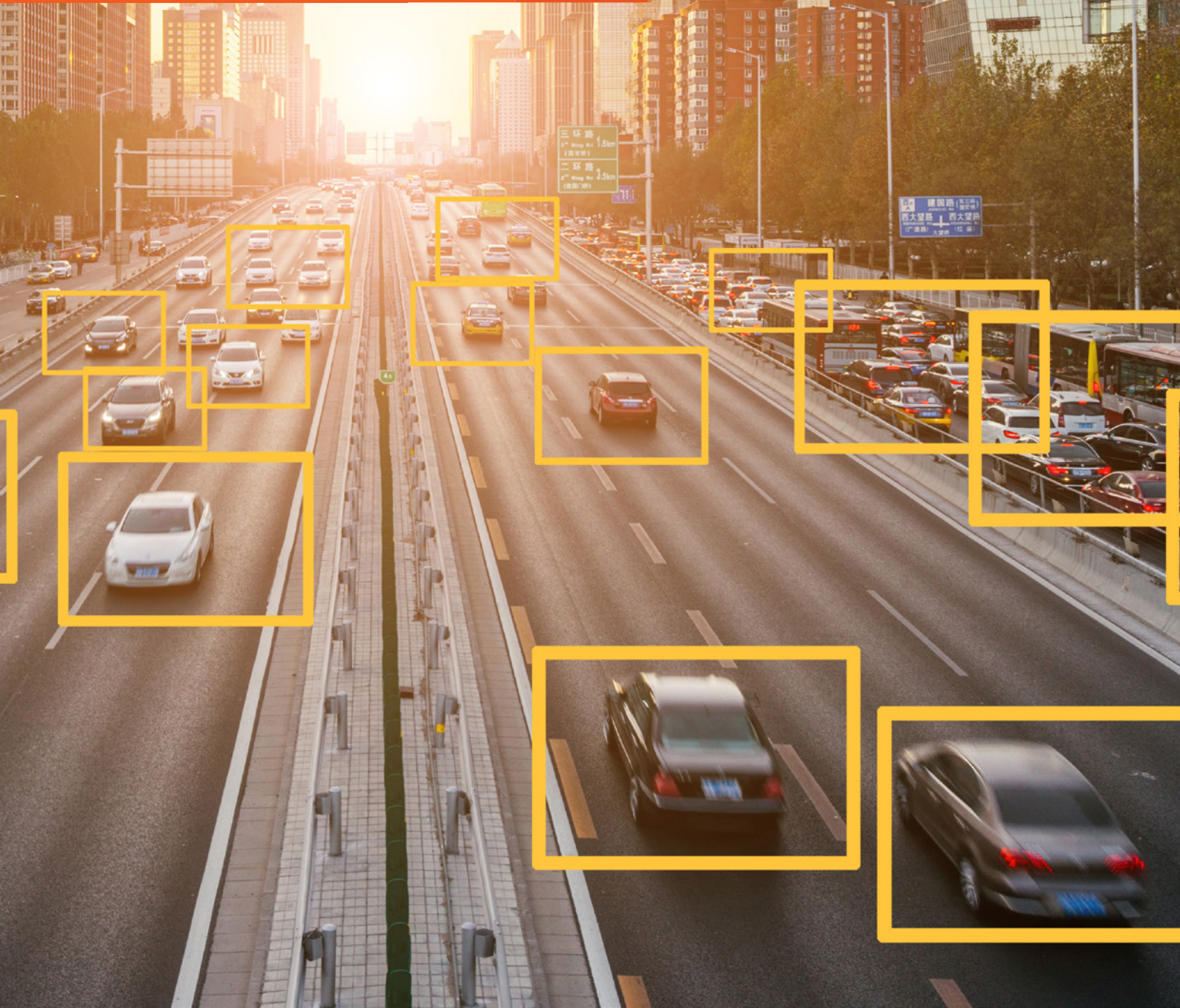


Smart Parking Limited  
and its Controlled Entities

ABN 45 119 327 169

# Preliminary Final Report

for the year ended  
30 June 2019



## **ASX PRELIMINARY FINAL REPORT**

**Smart Parking Limited**  
**ABN 45 119 327 169**

**30 June 2019**

Lodged with the ASX under Listing Rule 4.3A

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This report covers the consolidated entity consisting of Smart Parking Limited and its controlled entities. The preliminary financial report is presented in Australian dollars.

# Smart Parking Limited

## Year ended 30 June 2019

### Details of the reporting period

**Current period:** 12 months ending 30 June 2019 (FY19)

**Prior period:** 12 months ending 30 June 2018 (FY18)

### RESULTS FOR ANNOUNCEMENT TO MARKET

		2019	2018
Revenue from ordinary activities	Down 12%	27,183,987	31,018,609
Profit/ (Loss) after tax attributable to members	Down 255%	(2,586,010)	1,663,060
Total comprehensive income for the year attributable to owners	Down 286%	(2,455,194)	1,320,501

### Dividends

There were no dividends paid or proposed for the period. The Group does not have a dividend re-investment plan.

### Commentary on the results for FY19

The commentary is in actual currency unless otherwise stated which represents the average exchange rates for the period.

Total revenue of \$27.2m for FY19 was down 12% with the net statutory loss after tax attributable to members of \$2.6m, down 255% on FY18.

Adjusted EBITDA of \$0.3m, after adjusting for \$0.7m of unusual and non-recurring items, was down \$3.8m against FY18. Refer Note 2 for an explanation of unusual and non-recurring items.

Revenue in the Parking Management division of \$21.7m was down 9% (2018: \$23.9m) following the loss of some key car parking sites, higher client revenue share due to site mix and increased driver compliance. The site losses have been partially offset by contract wins and new site installations throughout FY19. In total, the company won and installed an additional 181 new ANPR sites for a mix of existing and new customers, bringing the portfolio up to 389 sites under management, up from 236 sites at 30 June 2018.

The company's strategy of growing the installed number of sites through the acquisition of additional sales resource has been successful as the team continue to win new contracts into FY20 and have a forward looking pipeline of over 300 sites.

Despite the increase in sites the number of Parking Breach Notices issued decreased by 10% in FY19 given new sites are, on average, smaller sites than those lost during the year. The company expects revenue growth in FY20 as a result of increased PBN's and site acquisition.

The lower revenue, along with increased investment in operating infrastructure reflected in higher costs resulted in Adjusted EBITDA for FY19 in the Parking Management Division of

\$3.6m, down 45% on FY18. The increased sales capability is expected to deliver revenue and earnings growth in FY20.

External revenue in the Technology division was down 23% year on year from \$6.8m (FY18) to \$5.3m (FY19). New installations included Marlow (UK), Royal Borough of Greenwich, Figtree Grove shopping centre, Coles Supermarkets, Air New Zealand, Wilson Parking, and Besser Parken (Germany). The Adjusted EBITDA loss of \$1.2m declined from a loss of \$0.6m in FY18.

The company invested \$1.0m on product development during the period with the launch of the next generation of the Smart Cloud platform, an overhead parking guidance system and ongoing investment in the parking navigation and payment applications. Consistent with the company's accounting policies in prior years, this has been expensed through the profit and loss.

Whilst sales in the technology division remain lumpy, momentum in the advanced parking technology market continues to grow. Accordingly, the Technology business continues to invest in new business opportunities across all business units. The company is committed to developing world class "Internet of Things" and Smart City solutions for a growing market sector. The company has positioned itself as a market leader in both parking technology and also as a leader in enterprise grade IoT solutions.

Net operating cash flow for the period was \$0.44m down from \$3.0m the prior period reflecting reduced revenues and an investment in the business both operationally and inclusive of \$1m of research and development which is expected to benefit future periods. During the period the Group converted \$6.4m of corporate bonds into cash. At year end the group had available cash of \$10.5m.

Further commentary on the results is included in the Market Announcement and Investor Presentation.

\* Adjusted EBITDA takes into account costs incurred in the current period which are not expected to occur in the future and are considered non-operational or non-recurring in nature. Refer to Note 2 for further details.

**Consolidated Statement of Profit and Loss and Other Comprehensive Income**  
**For the year ended 30 June 2019**

	Note	Consolidated	
		2019 \$	2018 \$
Revenue from operations	9(c)	27,183,987	31,018,609
Raw materials and consumables used		(3,314,767)	(3,738,696)
Employee benefits expense		(11,360,672)	(10,905,074)
Depreciation and amortisation expense		(1,850,946)	(1,975,855)
Rental and operating lease costs		(2,663,476)	(2,994,026)
Share-based payments expense		(412,458)	(409,408)
Finance and interest expense		(106,782)	(52,228)
Foreign exchange gains		91,664	751,599
Other expenses		(9,792,924)	(9,324,562)
Profit/(loss) before income tax		(2,226,374)	2,370,359
Income tax expense		(359,636)	(707,299)
Profit/(loss) for the year from continuing operations		(2,586,010)	1,663,060
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		130,816	(287,664)
Movement in available for sale financial asset reserve		-	(54,895)
Other comprehensive (loss)/ income for the year, net of tax		130,816	(342,559)
Total comprehensive profit/(loss) for the year		(2,455,194)	1,320,501
Total comprehensive profit/(loss) for the year attributable to owners of Smart Parking Limited		(2,455,194)	1,320,501
Earnings per share from continuing operations attributable to the ordinary equity holders of the company.			
- basic earnings/ (loss) per share (cents per share)		(0.72)	0.46
- diluted earnings/ (loss) per share (cents per share)		(0.72)	0.46

The above Consolidated Statement of Profit and Loss and Other Comprehensive Income is to be read in conjunction with the accompanying supplementary Appendix 4E information.

**Consolidated Statement of Financial Position**  
**As at 30 June 2019**

	Note	Consolidated 2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	10	10,912,363	7,153,543
Available for sale assets	11	-	6,460,651
Trade and other receivables	12	6,292,564	7,605,494
Contract assets		480,854	726,470
Inventories		1,088,772	1,250,716
Income tax receivable		913	778
Total Current Assets		18,775,466	23,197,652
<b>Non-current Assets</b>			
Receivables	12	307,550	473,695
Property, plant and equipment	13	6,908,521	5,853,161
Intangible assets	14	1,935,299	1,860,731
Deferred tax assets		545,351	571,947
Total Non-current Assets		9,696,721	8,759,534
<b>TOTAL ASSETS</b>		<b>28,472,187</b>	<b>31,957,186</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	15	4,697,691	6,218,342
Interest bearing liabilities		46,730	106,361
Contract liabilities		1,044,627	593,905
Provisions		650,081	917,053
Total Current Liabilities		6,439,129	7,835,661
<b>Non-current Liabilities</b>			
Interest bearing liabilities		10,056	55,787
<b>TOTAL LIABILITIES</b>		<b>6,449,185</b>	<b>7,891,448</b>
<b>NET ASSETS</b>		<b>22,023,002</b>	<b>24,065,738</b>
<b>EQUITY</b>			
Contributed equity	17	68,865,719	68,865,719
Accumulated losses	3	(50,522,974)	(47,882,069)
Reserves	16	3,680,257	3,082,088
<b>TOTAL EQUITY</b>		<b>22,023,002</b>	<b>24,065,738</b>

The above Consolidated Statement of Financial Position is to be read in conjunction with the accompanying supplementary Appendix 4E information.



**Consolidated Statement of Changes in Equity**  
**For the year ended 30 June 2019**

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2018	68,865,719	3,082,088	(47,882,069)	24,065,738
Adjustment on adoption of AASB 9	-	54,895	(54,895)	-
<b>Balance at 1 July 2018</b>	<b>68,865,719</b>	<b>3,136,983</b>	<b>(47,936,964)</b>	<b>24,065,738</b>
<b>Total comprehensive income for the year</b>				
Loss for the year	-	-	(2,586,010)	(2,586,010)
Other comprehensive income	-	130,816	-	130,816
<b>Total comprehensive profit/(loss) for the year</b>	<b>-</b>	<b>130,816</b>	<b>(2,586,010)</b>	<b>(2,455,194)</b>
<b>Transactions with owners, recorded directly in equity</b>				
<b>Contributions by owners</b>				
Contributions of equity net of transaction costs	-	-	-	-
Share-based payment transactions	-	412,458	-	412,458
Total transactions with owners	-	412,458	-	412,458
<b>Balance at 30 June 2019</b>	<b>68,865,719</b>	<b>3,680,257</b>	<b>(50,522,974)</b>	<b>22,023,002</b>

	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2017	68,865,719	3,015,239	(49,545,129)	22,335,829
<b>Total comprehensive income for the year</b>				
Loss for the year	-	-	1,663,060	1,663,060
Other comprehensive loss	-	(342,559)	-	(342,559)
<b>Total comprehensive loss for the year</b>	<b>-</b>	<b>(342,559)</b>	<b>1,663,060</b>	<b>1,320,501</b>
<b>Transactions with owners, recorded directly in equity</b>				
<b>Contributions by owners</b>				
Contributions of equity net of transaction costs	-	-	-	-
Share-based payment transactions	-	409,408	-	409,408
Total transactions with owners	-	409,408	-	409,408
<b>Balance at 30 June 2018</b>	<b>68,865,719</b>	<b>3,082,088</b>	<b>(47,882,069)</b>	<b>24,065,738</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying supplementary Appendix 4E information.

**Consolidated Statement of Cash Flows**  
**For the year ended 30 June 2019**

	Note	Consolidated 2019 \$	2018 \$
<b>Cash flows from operating activities</b>			
Cash receipts in the course of operations		28,150,280	28,259,114
Cash payments in the course of operations		(28,044,299)	(25,060,667)
Interest and other finance costs paid		(44,492)	(9,892)
Interest received		245,162	299,916
Income taxes paid		(135)	(134)
<b>Net cash inflow from operating activities before movement in client funds</b>		<b>306,516</b>	<b>3,488,337</b>
Net decrease in cash held on behalf of customers		138,448	(457,827)
<b>Net cash inflow from operating activities</b>	18	<b>444,964</b>	<b>3,030,510</b>
<b>Cash flows from investing activities</b>			
Proceeds from disposal of assets		-	20,764
Proceeds from sale of financial assets	11	6,443,521	273,686
Purchase of intangible assets		(150,248)	(104,316)
Purchase of plant and equipment		(2,906,203)	(3,331,115)
Purchase of financial assets		-	(6,850,921)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>3,387,070</b>	<b>(9,991,902)</b>
<b>Cash flows from financing activities</b>			
Proceeds from borrowings		-	-
Hire purchase payments		(108,422)	(205,542)
<b>Net cash outflow from financing activities</b>		<b>(108,422)</b>	<b>(205,542)</b>
Net increase/(decrease) in cash and cash equivalents		3,723,612	(7,166,934)
Cash and cash equivalents at beginning of period		7,153,543	14,225,598
Effects of exchange rate changes on cash and cash equivalents		35,208	94,879
<b>Cash and cash equivalents at end of period</b>	10	<b>10,912,363</b>	<b>7,153,543</b>

The above Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying supplementary Appendix 4E information.



## Supplementary Appendix 4E Information

### 1. Statement of significant accounting policies

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This report is to be read in conjunction with any public announcements made by Smart Parking Limited during the reporting period in accordance with the continuous disclosure requirements of Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

The preliminary financial report, comprising the financial statements and notes of Smart Parking Limited and its controlled entities, complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Where necessary, comparative figures have been adjusted to comply with the changes in presentation in the current period.

The principal accounting policies adopted in the preparation of the preliminary financial report are consistent with those of the previous financial year with the exception of those disclosed below.

#### (a) AASB 15 Revenue from Contracts with Customers

AASB 15 is the new standard for the recognition of revenue and replaces AASB 118 which covered revenue arising from the sale of goods and the rendering of services and AASB 111 which covered construction contracts. The Group adopted AASB 15 from 1 July 2018 which resulted in minor changes in accounting policies and adjustments to the financial statements.

The core principle of AASB 15 is that an entity shall recognise revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred rather than on transfer of risks and rewards.

##### Technology contracts

Where the Group is contracted for supply and installation, the revenue will continue to meet the requirement to be recognised over time using the cost incurred to measure progress. The requirements of over time measurement are met as the installation creates assets with no alternative use to the group and there is an enforceable right to payment for performance completed.

Where the Group is selling equipment or goods as a standalone contract, revenue will be recognised when the customer takes physical possession of the goods.

##### Parking Management

Smart Parking Limited (UK) recognises Pay and Display revenue at the point in time their performance obligation to provide parking for a motorist has been fulfilled. Parking Breach Notice revenue is recognised over time where PBN's are received in lieu of site management fees, otherwise they are recognised at the point in time they are issued with an adjustment made to ensure that revenue is only recognised for PBN's when it is highly probable that a significant reversal of revenue will not occur as required in by AASB 15.

**(b) AASB 9 Financial Instruments.**

AASB 9 replaces the provisions of AASB 139 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The new accounting policies are set out below. In accordance with the transitional provisions in AASB 9(7.2.15), comparative figures have not been restated.

*Reclassification from available-for-sale assets to fair value through profit or loss (FVPL)*

Investments in corporate bonds were reclassified from available-for-sale to financial assets to FVPL (\$6,460,651 as at 1 July 2018). They do not meet the AASB 9 criteria for classification at amortised cost or fair value through other comprehensive income due to failing the contractual cash flow and business model tests. Related fair value losses of \$54,895 were transferred from the available-for-sale financial assets reserve to retained earnings on 1 July 2018.

*Impairment of financial assets*

The group was required to revise its impairment methodology under AASB 9 for trade and receivables. The impact of the change in impairment methodology had no impact on the amounts previously disclosed given the Group's assessment that the lifetime expected loss allowance for their receivables is insignificant.

*Classification and measurement of financial liabilities*

As the accounting for financial liabilities remains largely unchanged from AASB 139, the Group's financial liabilities were not impacted by the adoption of AASB 9.

## 2. Material factors affecting the economic entity for the current period

Refer to the attached Market Announcement and Investor Presentation for discussion of the nature and amount of material items affecting revenue, expenses, assets, liabilities, equity or cash flows, where their disclosure is relevant in explaining the financial performance or position of the entity for the period.

The loss of the Group for the financial year after income tax amounted to \$2.6m (2018: profit of \$1.7m).

An analysis of underlying Adjusted EBITDA in the current period which is calculated after excluding the effects of costs incurred but not related to underlying operations or not expected to occur in the future is outlined below:

	2019 \$	2018 \$
<b>Net profit/(loss) for the year after tax</b>	<b>(2,586,010)</b>	<b>1,663,060</b>
Group EBITDA <sup>1</sup>	(365,642)	4,112,650
Professional fees <sup>2</sup>	340,309	334,183
Restructuring costs <sup>3</sup>	158,267	-
Smart Cloud costs <sup>4</sup>	181,921	-
Taxes on share based payments <sup>5</sup>	-	240,304
Other non-recurring costs <sup>6</sup>	33,636	174,022
Foreign exchange gains <sup>7</sup>	(91,664)	(791,337)
<b>Adjusted EBITDA<sup>8</sup></b>	<b>256,827</b>	<b>4,069,822</b>

<sup>1</sup>EBITDA represents Earnings before interest, taxation, depreciation, amortisation and loss on disposal of plant and equipment.

<sup>2</sup>The professional fees in FY19 relate to the UK management restructure, GDPR set up costs and VAT consulting costs. In FY18 the professional fees related to the UK management restructure. These costs were incurred in the current period and are not expected to occur in future periods or are non-operating in nature.

<sup>3</sup>The restructuring costs relate to a reorganisation of the UK field workforce.

<sup>4</sup>The SmartCloud costs relate a duplication of costs as part of the migration from legacy systems to SmartCloud.

<sup>5</sup>The taxes on share based payments relate to the UK and are non-recurring in nature.

<sup>6</sup>The other costs in FY19 include losses on corporate bonds which were sold during the year. In FY18 other costs related to prior period under accruals none of which are individually material.

<sup>7</sup>The foreign exchange gains are non-operating and relate to funding within the Group.

<sup>8</sup>The Board assesses the underlying performance of the Group based on a measure of Adjusted EBITDA which takes into account costs incurred in the current period but not expected to occur in the future.

### 3. Retained Earnings (Appendix 4E item 6)

	2019	Consolidated	2018
	\$		\$
Balance 1 July	(47,882,069)		(49,545,129)
Adjustment on adoption of AASB 9	(54,895)		-
Adjusted balance 1 July	(47,936,964)		(49,545,129)
Net profit/(loss) for the year	(2,586,010)		1,663,060
Balance 30 June	(50,522,974)		(47,882,069)

### 4. Additional Dividend Information (Appendix 4E item 7)

There were no dividends paid or proposed during the year.

### 5. Dividend Reinvestment Plan (Appendix 4E item 8)

The company has no dividend reinvestment plan in operation.

### 6. NTA Backing (Appendix 4E item 9)

	2019	Consolidated	2018
	\$		\$
Net tangible asset backing per ordinary share	\$0.0560		\$0.0618

## 7. Earnings/(loss) per share (Appendix 4E item 14.1)

	Consolidated	
	2019	2018
	\$	\$
Basic profit/ (loss) per share (cents per share)	(0.72)	0.46
Diluted profit/ (loss) per share (cents per share)	(0.72)	0.46
Profit/ (loss) used in calculating EPS	(2,586,010)	1,663,060
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	No. 359,215,361	No. 359,215,361
<i>Reconciliation of basic and diluted loss per share</i>		
Profit/(loss) attributable to the ordinary equity holders of the company used in calculating earnings/(loss) per share:	(2,586,010)	1,663,060

The earnings per share calculation has not been adjusted for the 5,022,589 deferred share rights (2018: 4,416,967) as the company has made a loss in the current year and this would be considered antidilutive. These deferred share rights could potentially dilute basic earnings per share in the future.

## 8. Share Buyback (Appendix 4E item 14.2)

The company had no on-market buy back in operation during the year ended 30 June 2019 or the year ended 30 June 2018.

## 9. Segment information (Appendix 4E item 14.4)

### a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions.

The Board considers the business from a product perspective and has identified three reportable segments. Technology consists of car parking technology products sold globally, Parking Management consists of the business which operates in the United Kingdom and consists of the provision of car parking management services on behalf of third party car park owners and on sites leased by the Company and managed on its own behalf, and Research and Development includes costs to research, develop and enhance software/hardware for both the Technology and Parking Management divisions.

Corporate functions are not considered an operating segment and includes activities that are not allocated to other operating segments.

**b) Segment information provided to the board**

The segment information provided to the Board for the reportable segments for the year ended 30 June 2019 is as follows:

<b>Group - 2019</b>	<b>Technology</b>	<b>Research and Development</b>	<b>Parking Management</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total segment revenue	7,650,393	-	21,691,764	29,342,157
Inter-segment revenue	(2,393,558)	-	-	(2,393,558)
<b>Revenue from external customers</b>	<b>5,256,835</b>	<b>-</b>	<b>21,691,764</b>	<b>26,948,599</b>
<b>Segmental Adjusted EBITDA</b>	<b>(1,213,048)</b>	<b>(1,019,603)</b>	<b>3,609,139</b>	<b>1,376,488</b>

The segment information provided to the Board for the reportable segments for the year ended 30 June 2018 was as follows:

<b>Group - 2018</b>	<b>Technology</b>	<b>Research and Development</b>	<b>Parking Management</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Total segment revenue	8,860,048	-	23,872,681	32,732,729
Inter-segment revenue	(2,041,438)	-	-	(2,041,438)
<b>Revenue from external customers</b>	<b>6,818,610</b>	<b>-</b>	<b>23,872,681</b>	<b>30,691,291</b>
<b>Segmental Adjusted EBITDA</b>	<b>(565,379)</b>	<b>(696,109)</b>	<b>6,520,907</b>	<b>5,259,419</b>

**c) Other segment information**

**(i) Segment revenue**

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the Board is measured in a manner consistent with that in the income statement.

Segment revenue reconciles to total revenue from continuing operations as follows:

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Total segment revenue	<b>29,342,157</b>	32,732,729
Intersegment eliminations	<b>(2,393,558)</b>	(2,041,438)
Interest revenue	<b>235,388</b>	327,318
	<b>27,183,987</b>	<b>31,018,609</b>

(ii) Adjusted EBITDA

The Board assesses the performance of the operating segments based on a measure of Adjusted EBITDA. This measurement excludes the effects of costs incurred in the current period but not expected to occur in the future from the operating segments such as restructuring costs, acquisition costs, legal costs and goodwill impairments which are non-cash in nature. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the group.

A reconciliation of Segmental Adjusted EBITDA to operating loss before income tax is provided as follows:

	2019 \$	2018 \$
<b>Segmental Adjusted EBITDA</b>	<b>1,376,488</b>	5,259,419
Intersegment eliminations	(7,985)	82,495
Interest revenue	235,388	327,318
Interest expense	(44,493)	(9,892)
Depreciation	(1,722,812)	(1,291,115)
Amortisation	(128,134)	(684,740)
Non-recurring items and prior period expenses	(714,133)	(748,509)
Foreign exchange gains on intra group funding	225,330	791,337
Loss on disposal of fixed property, plant and equipment	(200,681)	(83,862)
Adjusted EBITDA for parent company	(1,245,342)	(1,272,092)
<b>Profit/(loss) before income tax from continuing operations</b>	<b>(2,226,374)</b>	2,370,359

A reconciliation of Segmental Adjusted EBITDA to Adjusted Group EBITDA is provided below:

	2019 \$	2018 \$
<b>Segmental Adjusted EBITDA</b>	<b>1,376,488</b>	5,259,419
Intersegment eliminations and net foreign exchange movements	125,681	82,495
Adjusted EBITDA for parent company	(1,245,342)	(1,272,092)
<b>Adjusted Group EBITDA</b>	<b>256,827</b>	4,069,822



## 10. Cash and cash equivalents

	Consolidated 2019 \$	2018 \$
Cash at bank and in hand	10,547,622	6,927,250
Cash held on behalf of customers	364,741	226,293
	<u>10,912,363</u>	<u>7,153,543</u>

During the period the company sold \$6.5m in Corporate Bonds. Refer to note 11 for additional information.

Cash at bank includes cash that Smart Parking Limited (UK) has collected and counted on behalf of customers, the associated liability for this is included in other payables.

The Parking Management division collects cash from sites that it operates on behalf of customers on an ongoing basis. These amounts are material. As cash is collected and banked a corresponding liability is recognised for the same amount. As payment terms vary between customers the cash profile of collecting and remitting cash is variable and can have a material impact on the company's cash balances at any one point in time.

## 11. Financial assets

	Consolidated 2019 \$	2018 \$
Available for sale assets – Corporate Bonds	-	6,460,651

The Group sold \$6.5m of Corporate Bonds and placed funds received on term deposit.

## 12. Trade and other receivables

### Current

Trade receivables	1,634,281	2,428,519
Provision for impairment of receivables	(5,420)	(12,176)
	<u>1,628,861</u>	<u>2,416,343</u>
Prepayments	804,112	1,326,173
Other receivables	3,859,591	3,862,978
	<u>6,292,564</u>	<u>7,605,494</u>
Non-current receivables	307,550	473,695
	<u>6,600,114</u>	<u>8,079,189</u>

### 13. Property, plant and equipment

	Motor Vehicles	Office Equipment	Plant and Equipment	Leasehold Improvem- ents	Total
	\$	\$	\$	\$	\$
<b>Consolidated</b>					
<b>Year ended 30 June 2019</b>					
Opening net book amount	206,291	74,705	5,189,304	382,861	5,853,161
Additions	40,900	120,208	2,558,572	166,497	2,886,177
Disposals	(799)	(12,219)	(145,343)	(57,814)	(216,175)
Depreciation charge for the year	(71,748)	(39,879)	(1,573,687)	(37,498)	(1,722,812)
Foreign exchange translation	4,023	2,946	94,233	6,968	108,170
<b>Closing net book amount</b>	<b>178,667</b>	<b>145,761</b>	<b>6,123,079</b>	<b>461,014</b>	<b>6,908,521</b>
<b>At 30 June 2019</b>					
Cost or fair value	402,742	374,419	13,337,459	585,735	14,700,355
Accumulated depreciation & impairment	(224,075)	(228,658)	(7,214,380)	(124,721)	(7,791,834)
<b>Net book amount</b>	<b>178,667</b>	<b>145,761</b>	<b>6,123,079</b>	<b>461,014</b>	<b>6,908,521</b>

### 14. Intangible assets

	Software	Developed Technology	Goodwill	Other intangible assets	Total
	\$	\$	\$	\$	\$
<b>Year ended 30 June 2019</b>					
Opening net book amount	243,389	35,511	1,581,831	-	1,860,731
Additions	172,654	-	-	-	172,654
Disposals	(512)	-	-	-	(512)
Exchange differences	2,232	-	28,328	-	30,560
Amortisation charge	(115,733)	(12,401)	-	-	(128,134)
<b>Closing net book amount</b>	<b>302,030</b>	<b>23,110</b>	<b>1,610,159</b>	<b>-</b>	<b>1,935,299</b>
<b>At 30 June 2019</b>					
Cost	1,261,774	5,829,385	2,513,501	16,986	9,621,646
Accumulated amortisation and impairment	(959,744)	(5,806,275)	(903,342)	(16,986)	(7,686,347)
<b>Net book amount</b>	<b>302,030</b>	<b>23,110</b>	<b>1,610,159</b>	<b>-</b>	<b>1,935,299</b>

## 15. Trade and other payables

	Consolidated 2019 \$	2018 \$
Current		
Trade payables	2,207,087	3,270,680
Related party payables	111,098	81,347
Other payables	2,379,506	2,866,315
	<b>4,697,691</b>	<b>6,218,342</b>

All trade and other payables are expected to be settled within 12 months. Other payables includes \$364,741 (2018: \$226,293) payable to customers for cash that Smart Parking UK has collected and counted on behalf of customers, the associated cash for this is included in cash at bank. Refer to Note 10.

## 16. Reserves

	Consolidated 2019 \$	2018 \$
Share based payments	2,982,323	2,569,865
Foreign currency translation	697,934	567,118
Available for sale financial assets reserve	-	(54,895)
	<b>3,680,257</b>	<b>3,082,088</b>

## 17. Equity securities issued during the year

The Company did not issue any ordinary shares during the year.

## 18. Reconciliation of cash flows from operating activities

Reconciliation of Cash Flow from Operations with  
Profit/(Loss) after Income Tax

	2019 \$	2018 \$
Profit/(Loss) after income tax for the period	(2,586,010)	1,663,060
Adjustments for:		
Loss on disposal of plant and equipment	200,681	83,862
Depreciation and amortisation expense	1,850,946	1,975,855
Impairment of trade receivables	-	(13,486)
Share-based payments expense	412,458	409,408
Net foreign exchange differences	(91,664)	(751,599)
Change in operating assets and liabilities, net of effects from purchase of controlled entity:		
(Increase)/decrease in trade receivables and contract assets	1,233,149	(1,472,467)
(Increase)/decrease in inventories	161,944	18,559
(Increase)/decrease in other current assets	491,542	(1,081,322)
Increase/(decrease) in trade payables and accruals	(1,254,543)	1,614,030
(Increase)/decrease in tax receivable and deferred tax	26,461	584,610
Net cash inflow from operations	<b>444,964</b>	<b>3,030,510</b>

**19. Trends in Performance** *(Appendix 4E item 14.5)*

Refer to the attached Market Announcement and Investor Presentation.

**20. Other Factors that Affected Results in the Period or which are Likely to Affect the Results in the Future** *(Appendix 4E item 14.6)*

Refer to the attached Market Announcement and Investor Presentation.

**21. Controlled Entities Acquired or Disposed of** *(Appendix 4E item 10)*

The Company did not acquire/dispose of interests in Controlled Entities.

**22. Associates and Joint Venture Entities** *(Appendix 4E item 11)*

The Company did not acquire or dispose of any interests in Joint Ventures or Associates during the year.

**23. Other Significant Information** *(Appendix 4E item 12)*

Contingent Liabilities

HMRC is applying an Upper Tier Tribunal Ruling in the UK on the treatment of input VAT to the Company's expenditure. The Upper Tier Tribunal Ruling restricts the amount of input VAT that can be recovered on expenditure incurred in the administration of Parking Breach Notice activities for a particular company which operates on a fundamentally different model to Smart Parking. The independent expert advice obtained by the Company suggests that the facts of the Company's case are substantially different from the case subject to the Tribunal ruling, and significantly in the Company's favour. While the Company continues to work collaboratively with HMRC to assess and resolve its position, it has lodged Notices of Appeal with Her Majesty's Revenue and Customs (HMRC) contesting different aspects of HMRC assessments. Smart Parking intends to vigorously defend its position if an agreeable outcome cannot be reached. This matter remains unresolved at the date of this report. The matter is multi-faceted and if Smart Parking is unsuccessful in defending all aspects the maximum potential liability is estimated to be \$7.7m. The company continues to take advice on the matter and to interact with HMRC and as such there is a prospect that the calculated contingent liability may change.

Refer to the attached Market Announcement and Investor Presentation for other significant information.

**24. Audit Status** *(Appendix 4E item 15)*

This report is based on accounts which are in the process of being audited.

**25. Commentary on Results** *(Appendix 4E item 14)*

Refer to the attached Market Announcement and Investor Presentation.

**26. Significant Features of Operating Performance** *(Appendix 4E item 14.3)*

Refer to the attached Market Announcement and Investor Presentation.