

# **SenterpriSys Limited**

ABN 14 146 845 123

## **Financial Statements**

**For the Year Ended 30 June 2024**

# **SenterpriSys Limited**

ABN 14 146 845 123

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**For the Year Ended 30 June 2024**

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## Executive Chairman's Letter

### For the Year Ended 30 June 2024

SenterpriSys Limited recorded a net loss of \$245,629 (FY23 net loss: \$65,342). The Company has a negative working capital position of \$96,876 (FY23 negative working capital: \$75,760).

#### FY24 Commentary

- FY24 was a year where Project DeRisk witnessed major improvements in user experience. The use of AI allowed us to identify numerous ways to improve the delivery of the software solution to Tamawood Limited including much faster data processing.
- The staff are in the process of finalising the last issues with the now operational Project DeRisk Version 2.
- Rainrose Pty Ltd, an entity controlled by me, has confirmed it will continue to support the Company and advance further funds during FY25 if required and has provided a letter of support to SenterpriSys Limited.

#### SPS Performance since 2019

	2019	2020	2021	2022	2023	2024
Revenue	\$586,368	\$709,979	\$1,015,169	\$959,843	\$789,251	\$768,375
Employee Expense*	\$166,383	\$243,618	\$454,757	\$401,807	\$165,688	\$409,843
Profit (Loss) After Tax	\$6,008	\$142,878	\$288,418	(\$123,342)	(\$65,342)	(\$245,629)
EPS	0.009¢	0.002¢	0.004¢	(0.001¢)	(0.001¢)	(0.003¢)
Share Price as at 30 June	17¢	7¢	3¢	5¢	5¢	4¢

\*not capitalised as research & development

#### FY25 Outlook

- Project DeRisk Version 3 should be fully operational and marketed to third-party customers.
- QANOTIX templates / reports to businesses operating in a broad range of industries who are seeking ISO9001 Quality Assurance Certification, with the added ability to select a number of languages will be integrated into (Project DeRisk Version 3).
- Fully integrated QuickBooks data sharing interface will also be added to Project DeRisk Version 3.
- The Board is looking at undertaking a Rights Issue before the end of the 2024 calendar year to increase working cashflow and reduce borrowings from Rainrose Pty Ltd.



Lev Mizikovsky  
Executive Chairman

Dated: 30 September 2024

## **Directors' Report**

### **For the Year Ended 30 June 2024**

The directors present their report, together with the consolidated financial statements of the Company, being SenterpriSys Limited (the "Company" or "Group") and its controlled entities, for the financial year ended 30 June 2024.

#### **Directors**

The names of the directors in office at any time during, or since the end of, the year are:

<b>Names</b>	<b>Position</b>
Lev Mizikovsky	Executive Chairman
Rade Dudurovic	Non-executive Director and Chair of the Audit Committee
Michael Fennell	Managing Director

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### **Company secretaries**

The following person held the position of Company secretary at the end of the financial year:

Geoff Acton ([B.Com, ACA, GAICD])

Narelle Lynch (Cert Gov (PRAC))

#### **Principal activities and significant changes in nature of activities**

The principal activity of SenterpriSYS Limited during the financial year was to develop and commercialise small enterprise project management and quality control software ("Software") suitable for multiple industries including the housing construction sector which may be commercially saleable in the future.

There were no significant changes in the nature of the Company's principal activities during the financial year.

#### **Operating results and review of operations for the year**

The Group achieved an operating loss after tax of \$245,629 for the year ended 30 June 2024 (2023 Loss: \$65,342). The revenue of \$768,875 was derived from continuing to provide support and maintenance for IT systems of Tamawood Limited and Advance ZincTek Limited as well as licensing fees for the use of the Software by Tamawood Limited. There are no contracts in place and this revenue is derived on a month-by-month basis as the services of SenterpriSYS are required by these businesses.

The Company plans to commence marketing Version 3 of the Software during 2025.

#### **Review of financial position**

The net assets of SenterpriSys have decreased from \$3,782,221 as at 30 June 2023 to \$3,537,252 as at 30 June 2024. Please refer to the Executive Chairman's letter on page 1 for further commentary.

As at 30 June 2024 the Group had a negative working capital of \$96,876 (2023: (\$75,760)).

Rainrose Pty Ltd, an entity controlled by the Executive Chairman, Mr Lev Mizikovsky, has provided a letter of support guaranteeing the Company's obligations for at least the next twelve months from the date of signing this report.

## **Directors' Report**

### **For the Year Ended 30 June 2024**

#### **Dividends paid or recommended**

No dividends were declared or paid during the financial year.

#### **Significant changes in state of affairs**

There have been no significant changes in the state of affairs of entities in SenterpriSys during the year.

#### **Material business risks**

Loss of premises would cause a short-term issue for SenterpriSys. The system/software are backed up in the cloud and this would be restored using new computer hardware at new premises.

The planned launch of Project DeRisk Version 3 during calendar 2025 may lead to lower than expected customer sales. The Company is working on multiples other software projects which should also be launched in 2025.

#### **Events after the reporting date**

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

#### **Future developments and results**

The Group is completing the modules for Project DeRisk Version 3 and will actively pursue sales from external users, primarily focusing on the residential building industry. The new website should generate increased enquiries.

#### **Environmental matters**

SenterpriSys's operations are not regulated by any significant environmental regulations under a law of the Commonwealth or of a state or territory of Australia.

#### **Options**

No options over issued shares or interests in the Company or a controlled entity were granted during or since the end of the financial year and there were no options outstanding at the end of this report.

#### **Insurance of officers**

During the year, the Company paid a premium to insure the Directors, Secretaries and Officers of the Group and its controlled entities. The liabilities insured exclude any criminal, fraudulent, dishonest or malicious act or omission or improper use of information or position to gain a personal advantage.

The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities within the Group.

Details of the premium paid in respect of insurance policies are not disclosed as such disclosure is prohibited under terms of the contract.

#### **Proceedings on behalf of the company**

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

## **Directors' Report**

### **For the Year Ended 30 June 2024**

#### **Information on directors**

Lev Mizikovsky

Qualifications

Experience

FAICD

Lev Mizikovsky is Executive Chairman and major shareholder of SenterpriSys. Lev is the founding Director of Tamawood Limited which started in July 1989 and is still a Non-executive Director and major shareholder. Since 1997, Mr Lev Mizikovsky has been a Fellow of the Australian Institute of Company Directors (FAICD). He is a substantial shareholder in a number of other Queensland companies including Lindsay Australia Limited, Advance ZincTek Limited, Tamawood Limited and Veganic SKN Limited.

Special Responsibilities

Member of all the Committees

Rade Dudurovic

Qualifications

Experience

B Com (Hons), LLB (Hons)

Rade Dudurovic has an extensive background in private equity with strong exposure to industrial and branded consumer manufacturing and distribution businesses particularly in the Asian region. He has operational and sales experience across multiple industries. Rade has Honours qualifications in commerce and law and is a CPA as well as Senior Fellow of FINSIA. Rade is a Non-executive Director of Advance ZincTek Limited and Veganic SKN Limited.

Special Responsibilities

Chair of all the Committees

Michael Fennell

Experience

Michael Fennell brings to SenterpriSys extensive experience given his 30+ years within the Tamawood Group. Michael has detailed knowledge and understanding of the Software architecture and design, system integration and virtualisation. As Managing Director, Michael has been instrumental in driving the development of the Company project management software and delivering a world-class solution.

Special Responsibilities

Member of the risk committee

Details of each director's relevant interest in shares can be found on page 9 of this report.

#### **Company secretaries**

Geoff Acton

Qualifications

Experience

B.Com, CA, GAICD

Geoff is a chartered accountant and has more than 20 years of history with the Tamawood Group including Director, Chief Financial Officer and Company Secretary. Further, he has an in-depth knowledge of the renewable energy sector as head of the successful Renewable Energy Certificate trading business established in 2004. He is Managing Director of Advance ZincTek Limited.

Narelle Lynch

Qualifications

Experience

Cert (Gov Prac)

Narelle was appointed joint Company Secretary on 9 November 2018. She is also joint Company Secretary of Tamawood Limited and Advance ZincTek Limited

## Directors' Report

### For the Year Ended 30 June 2024

#### Meetings of directors

During the financial year, 10 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

	Directors' Meetings		Audit Committee		Risk Committee		Remuneration Committee		Nomination Committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number eligible to attend	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Lev Mizikovsky	5	5	2	2	1	1	1	1	1	1
Rade Dudurovic	5	5	2	2	1	1	1	1	1	1
Michael Fennell	5	5	-	2*	1	1	-	1*	-	1*

\*attended by invitation

#### Non-audit services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided do not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants (including Independence Standards) set by the Accounting Professional and Ethical Standards Board.

The total fees to the Group's external auditors, William Buck Audit (Vic) Pty Ltd, for non-audit services during the year ended 30 June 2024 was nil (2023: Nil).

## **Directors' Report**

### **For the Year Ended 30 June 2024**

#### **Remuneration report (audited)**

This remuneration report for the year ended 30 June 2024 outlines the remuneration arrangements of the key management personnel of the Group, including the Directors, in accordance with the requirements of the Corporations Act 2001 (the Act) and its regulations. This information has been audited as required by section 308(3C) of the Act.

#### **Remuneration policy**

The performance of the Group depends upon the quality of its key management personnel. To prosper, the Group must attract, motivate and retain highly skilled Directors and other key management personnel.

To this end, the Group embodies the following principles in its remuneration framework:

- Provide competitive rewards to attract high calibre key management personnel
- Link executive rewards to shareholder value

#### **Remuneration Structure**

In accordance with best practice corporate governance, the structure of Non-executive Director and Executive remuneration is separate and distinct.

#### **Non-executive Director Remuneration**

##### **Objective**

The Board seeks to set aggregate remuneration at a level that provides the Group with the ability to attract and retain Directors of the highest calibre, and at a remuneration level within market rates.

##### **Structure**

No element of Non-executive Director remuneration is directly linked to profit performance. Remuneration is approved at the Annual General Meeting and the proposed cap is \$250,000 for the aggregate remuneration of Non-executive Directors. Details of remuneration which is linked to performance is detailed in the service agreement note for key management personnel.

#### **Executives and Other Key Management Personnel**

##### **Objective**

The Group aims to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities within the Group so as to:

- Align the interests of Executives with those of shareholders
- Link rewards with the strategic goals of the Group; and
- Ensure total remuneration is competitive by market standards.

##### **Structure**

Remuneration consists of the following key elements:

- Fixed executive remuneration;
- Other remuneration such as superannuation and leave entitlements;
- Commission and bonuses payable

# SenterpriSys Limited

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## Directors' Report For the Year Ended 30 June 2024

### Remuneration report (audited)

### Remuneration details for the year ended 30 June 2024

The following table of benefits and payment details, in respect to the financial year, the components of remuneration for each member of the key management personnel of SenterpriSys.

### Table of benefits and payments

		Short term Benefits			Post employment	Long term Benefits (LSL)	Termination Benefits	
	Cash salary fees & Leave	Bonus	Non monetary	Equity settled shares	Superannuation			Total
2024	\$	\$	\$	\$	\$	\$	\$	\$
<b>Non-executive Directors</b>								
	-	-	-	-	-	-	-	-
R Dudurovic (Non-executive Director)	20,000	-	-	-	-	-	-	20,000
<b>Sub-total Non-executive Directors</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20,000</b>
<b>Executive Directors</b>								
Lev Mizikovsky (Executive Chairman)	-	-	-	-	-	-	-	-
Michael Fennell (Managing Director)	196,526	-	-	-	18,205	2,763	-	217,494
<b>Sub-total Executive Directors</b>	<b>196,526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,205</b>	<b>2,763</b>	<b>-</b>	<b>217,494</b>
<b>Total</b>	<b>216,526</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,205</b>	<b>2,763</b>	<b>-</b>	<b>237,494</b>

## SenterpriSys Limited

ABN 14 146 845 123

## Directors' Report

### For the Year Ended 30 June 2024

#### Remuneration report (audited)

Remuneration details for the year ended 30 June 2024

		Short term Benefits			Post employment	Long term Benefits (LSL)	Termination Benefits	
	Cash salary fees & Leave	Bonus	Non monetary	Equity settled shares	Superannuation			Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>2023</b>								
<b>Non-executive Directors</b>								
R Dudurovic (Non-executive Director)	21,167	-	-	-	-	-	-	21,167
L Lefcourt (Non-executive Director) (resigned 16/11/22)	10,000	-	-	-	-	-	-	10,000
<b>Sub-total Non-executive Directors</b>	<b>31,167</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>31,167</b>
<b>Executive Directors</b>								
Lev Mizikovsky (Executive Chairman)	-	-	-	-	-	-	-	-
Michael Fennell (Managing Director)	195,434	-	-	-	17,505	2,730	-	215,669
<b>Sub-total Executive Directors</b>	<b>195,434</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,505</b>	<b>2,730</b>	<b>-</b>	<b>215,669</b>
<b>Total</b>	<b>226,601</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,505</b>	<b>2,730</b>	<b>-</b>	<b>246,836</b>

Cash performance related bonuses

None of the key management personnel remuneration paid in 2024 was performance based (2023: Nil).

# Directors' Report

## For the Year Ended 30 June 2024

### Remuneration report (audited)

### Key management personnel shareholdings

	Balance at beginning of year	Granted as remuneration	Exercised	Other changes	Balance at the end of year
<b>30 June 2024</b>					
<b>Directors</b>					
Lev Mizikovsky	59,412,932	-	-	500,000	59,912,932
Rade Dudurovic	589,876	-	-	-	589,876
Michael Fennell	2,081,530	-	-	-	2,081,530
	<b>62,084,338</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>62,584,338</b>
	Balance at beginning of year	Granted as remuneration	Exercised	Other changes	Balance at the end of year
<b>30 June 2023</b>					
<b>Directors</b>					
Lev Mizikovsky	59,375,474	-	-	37,458	59,412,932
Rade Dudurovic	589,876	-	-	-	589,876
Michael Fennell	2,061,530	-	-	20,000	2,081,530
Laurie Lefcourt (resigned 16/11/22)	4,334	-	-	(4,334)	-
	<b>62,031,214</b>	<b>-</b>	<b>-</b>	<b>53,124</b>	<b>62,084,338</b>

## **Directors' Report**

### **For the Year Ended 30 June 2024**

#### **Remuneration report (audited)**

#### **Service Agreements**

It is the Group's policy that service contracts and employment contracts for key management personnel are open ended, but are capable of termination on two weeks' notice. The Group retains the right to terminate the contract immediately by making payment equal to one month's remuneration in lieu of notice.

On termination, Directors and other key management personnel are entitled to receive their statutory entitlements of accrued annual and long service leave, together with any superannuation benefits. No other termination benefits are payable, except as otherwise approved by the Remuneration Committee.

Unless otherwise stated, service agreements and employment contracts do not provide for predetermined compensation values or the manner of payment. Compensation is determined in accordance with the general remuneration policy outlined above. The manner of payment is determined on a case by case basis and is generally a mix of cash and non-cash benefits as considered appropriate by the Board.

#### **End of Audited Remuneration Report**

#### **Auditor's independence declaration**

The auditor's independence declaration in accordance with section 307C of the Corporations Act 2001 for the year ended 30 June 2024 has been received and can be found on page 11 of the financial report.

This Director's Report, incorporating the remuneration report, is signed in accordance with a resolution of the Board of Directors.



Lev Mizikovsky  
Executive Chairman

Dated: 30 September 2024

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

### To the directors of SenterpriSYS Limited

As lead auditor for the audit of SenterpriSYS Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of SenterpriSYS Limited and the entities it controlled during the year.



**William Buck Audit (Vic) Pty Ltd**  
ABN 59 116 151 136



**C. L. Sweeney**  
Director  
Melbourne, 30 September 2024

## **Directors' Declaration**

### **For the Year Ended 30 June 2024**

The directors of the Company declare that:

1. the consolidated financial statements and notes for the year ended 30 June 2024 are in accordance with the *Corporations Act 2001* and:
  - a. comply with Accounting Standards, which, as stated in basis of preparation Note 1 to the consolidated financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards (IFRS); and
  - b. give a true and fair view of the financial position and performance of the consolidated group;
2. in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The information disclosed in the attached consolidated entity disclosure statement is true and correct.

This declaration is made in accordance with a resolution of the Board of Directors.



Lev Mizikovsky  
Executive Chairman

Dated: 30 September 2024

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2024

		2024	2023
	Note	\$	\$
Revenue	2	768,875	786,407
Other revenue	2	-	2,844
Employee benefits expense		(409,843)	(165,688)
Depreciation and amortisation expense		(366,851)	(330,714)
Director fees		(20,000)	(30,166)
Professional fees		(136,266)	(146,341)
Information, communication and technology costs		(61,798)	(98,569)
Rent		-	(16,758)
Other operating expenses		(19,620)	(28,505)
<b>Profit/(loss) before income tax</b>		<b>(245,503)</b>	<b>(27,490)</b>
Income tax benefit / (expense)	3	(126)	(37,852)
<b>Profit/(loss) from continuing operations</b>		<b>(245,629)</b>	<b>(65,342)</b>
<b>Profit/(loss) for the year</b>		<b>(245,629)</b>	<b>(65,342)</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(245,629)</b>	<b>(65,342)</b>
<b>Earnings per share</b>			
Basic earnings per share	22	(0.003) cents	(0.001) cents
Diluted earnings per share	22	(0.003) cents	(0.001) cents

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

## **Consolidated Statement of Financial Position**

### **As At 30 June 2024**

	Note	2024 \$	2023 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	24	-	17,301
Trade and other receivables	6	<b>75,114</b>	50,051
TOTAL CURRENT ASSETS		<b>75,114</b>	67,352
NON-CURRENT ASSETS			
Property, plant and equipment	7	<b>8,135</b>	11,490
Deferred tax assets	5	<b>58,737</b>	58,381
Intangible assets	8	<b>4,972,056</b>	4,938,673
TOTAL NON-CURRENT ASSETS		<b>5,038,928</b>	5,008,544
TOTAL ASSETS		<b>5,114,042</b>	5,075,896
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Borrowings	11	<b>13,789</b>	-
Trade borrowings and other payables	9	<b>86,138</b>	70,600
Provisions	10	<b>72,063</b>	72,512
TOTAL CURRENT LIABILITIES		<b>171,990</b>	143,112
NON-CURRENT LIABILITIES			
Deferred tax liabilities	5	<b>482</b>	-
Provisions	10	<b>37,973</b>	43,558
Borrowings (Non-Current)	11	<b>1,366,345</b>	1,106,345
TOTAL NON-CURRENT LIABILITIES		<b>1,404,800</b>	1,149,903
TOTAL LIABILITIES		<b>1,576,790</b>	1,293,015
NET ASSETS		<b>3,537,252</b>	3,782,881
<b>EQUITY</b>			
Issued capital	12	<b>3,719,817</b>	3,719,817
Retained earnings		<b>(182,565)</b>	63,064
TOTAL EQUITY		<b>3,537,252</b>	3,782,881

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

## Consolidated Statement of Changes in Equity

### For the Year Ended 30 June 2024

#### 2024

	Ordinary Shares	Retained Earnings / (Accumulate d Losses)	Total
	\$	\$	\$
<b>Balance at 1 July 2023</b>	<b>3,719,817</b>	<b>63,064</b>	<b>3,782,881</b>
Profit (Loss) for the year	-	(245,629)	(245,629)
<b>Transactions with owners in their capacity as owners</b>			
<b>Balance at 30 June 2024</b>	<b>3,719,817</b>	<b>(182,565)</b>	<b>3,537,252</b>

#### 2023

	Ordinary Shares	Retained Earnings / (Accumulate d Losses)	Total
	\$	\$	\$
<b>Balance at 1 July 2022</b>	<b>3,714,817</b>	<b>128,406</b>	<b>3,843,223</b>
Profit (Loss) for the year	-	(65,342)	(65,342)
<b>Transactions with owners in their capacity as owners</b>			
Employee share scheme	5,000	-	5,000
<b>Balance at 30 June 2023</b>	<b>3,719,817</b>	<b>63,064</b>	<b>3,782,881</b>

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

## Consolidated Statement of Cash Flows

For the Year Ended 30 June 2024

	Note	2024 \$	2023 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers (including GST)		786,491	873,192
Payments to suppliers and employees (including GST)		(682,116)	(728,350)
Interest received		1,414	1,842
Net cash provided by/(used in) operating activities	13	<u>105,789</u>	<u>146,684</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Capitalised software development costs		(396,879)	(662,497)
Net cash provided by/(used in) investing activities		<u>(396,879)</u>	<u>(662,497)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from / (repayment) of borrowings		260,000	500,000
Net cash provided by/(used in) financing activities		<u>260,000</u>	<u>500,000</u>
Net increase/(decrease) in cash and cash equivalents held		(31,090)	(15,813)
Cash and cash equivalents at beginning of year		17,301	33,114
Cash and cash equivalents at end of financial year	24	<u>(13,789)</u>	<u>17,301</u>

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

## **Material Accounting Policy Information**

### **For the Year Ended 30 June 2024**

#### **1 Material Accounting Policy Information**

##### **(a) Basis of Preparation**

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The accounting policies that are material to the group used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

The financial statements, except for the cashflow information, have been prepared on an accruals basis and are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

##### **(b) Principles of Consolidation**

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

##### **Subsidiaries**

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent 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 relevant activities of the entity.

A list of subsidiaries is contained in Note 15 to the financial statements.

## **Material Accounting Policy Information**

### **For the Year Ended 30 June 2024**

#### **1 Material Accounting Policy Information**

##### **(c) Going concern**

The financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activities, the realisation of assets and the settlement of liabilities in the ordinary course of business. For the year ended 30 June 2024 the Group incurred a net loss of \$245,629 (2023: loss \$65,342). As at 30 June 2024 the Group had net tangible liabilities of \$1,493,541 (2023: net tangible liabilities of \$1,214,173) and current liabilities exceeded current assets by \$96,876 (30 June 2023: current liabilities exceeded current assets by \$75,760).

These factors indicate a material uncertainty exists which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The Group's ability to continue as a going concern is dependent on its ability to reverse the currently occurring operating position by restructuring operations, increasing sales, and obtaining replacement debt or equity funding. Rainrose Pty Ltd, a related party, has advanced \$1,366,345 (2023: \$1,106,345). Rainrose Pty Ltd has confirmed it will continue to support the Group and advance further funds in 2024 if required and has provided a letter of support to the Group for a period of at least 12 months from the date of approval of the financial statements.

Accordingly, management believe that the Group will be able to pay its debts as and when they fall due for a period of at least 12 months from the date of the financial statements. As a consequence of the above, the directors believe that notwithstanding the results for the year, the Group will be able to continue as a going concern and therefore, these financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

##### **(d) Economic dependence**

SenterpriSys Limited is dependent on the related parties for the majority of its revenue used to operate the business. At the date of this report the directors have no reason to believe the related parties will not continue to support SenterpriSys Limited.

##### **(e) Comparative Amounts**

Comparatives are consistent with prior years, unless otherwise stated.

Where a change in comparatives has also affected the opening retained earnings previously presented in a comparative period, an opening statement of financial position at the earliest date of the comparative period has been presented.

Material Accounting Policy Information  
For the Year Ended 30 June 2024

1 Material Accounting Policy Information

(f) Property, plant and equipment

Plant and equipment

Plant and equipment are measured using the cost model. Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

The depreciable amount of all property, plant and equipment, except for freehold land is depreciated on a reducing balance method from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Motor Vehicles	28.57%
Computer Equipment	25% - 50%
Office Equipment	20% - 40%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

When an asset is disposed, the gain or loss is calculated by comparing proceeds received with its carrying amount and is taken to profit or loss.

(g) Trade and other receivables

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

## **Material Accounting Policy Information**

### **For the Year Ended 30 June 2024**

#### **1 Material Accounting Policy Information**

##### **(h) Intangibles**

###### **Work in progress - software development**

The development of the software and related modules comprises a number of phases including initial development, testing processes, customer trials and feedback until it is shelf ready and commercially viable for sale.

The costs are capitalised to software development and once the products are fully approved, they will be transferred to software assets.

The expenditure completed includes the cost of materials and direct labour that are directly attributed to preparing the asset for its intended use.

###### **Computer Software**

Computer software is amortised over 10 years.

##### **(i) Employee benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

## Material Accounting Policy Information

### For the Year Ended 30 June 2024

#### 1 Material Accounting Policy Information

##### (j) Income Tax

The tax expense recognised in the statement of profit or loss and other comprehensive income relates to current income tax expense plus deferred tax expense (being the movement in deferred tax assets and liabilities and unused tax losses during the year).

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year and is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is provided on temporary differences which are determined by comparing the carrying amounts of tax bases of assets and liabilities to the carrying amounts in the consolidated financial statements.

Deferred tax is not provided for the following:

- 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 accounting profit nor taxable profit (tax loss).
- Taxable temporary differences arising on the initial recognition of goodwill.
- Temporary differences related to investment in subsidiaries, associates and jointly controlled entities to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax consequences relating to a non-monetary asset carried at fair value are determined using the assumption that the carrying amount of the asset will be recovered through sale.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and losses can be utilised.

Current tax assets and liabilities are offset where there is a legally enforceable right to set off the recognised amounts and there is an intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset where there is a legal right to set off current tax assets against current tax liabilities and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Current and deferred tax is recognised as income or an expense and included in profit or loss for the period except where the tax arises from a transaction which is recognised in other comprehensive income or equity, in which case the tax is recognised in other comprehensive income or equity respectively.

## **Material Accounting Policy Information**

### **For the Year Ended 30 June 2024**

#### **1 Material Accounting Policy Information**

##### **(k) Revenue and other income**

Revenue is recognised when it is highly probable that a significant reversal will not occur.

##### *Maintenance and IT support*

Revenue for maintenance and IT support is recognised over time as the services are rendered based on either a fixed price or hourly rate. Invoices are paid on named control terms.

##### *Other Income*

Other income is recognised on an accruals basis when the Group is entitled to it.

##### **(l) Impairment of non-financial assets**

Goodwill and other intangible assets that have an indefinite useful life or not yet available for use 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 non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. The value in use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash generating unit.

##### **(m) Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

##### **(n) Borrowings**

Loans and borrowing are initially recognised at the fair value of the consideration received. They are subsequently measured at amortised cost using the effective interest method.

## Material Accounting Policy Information

### For the Year Ended 30 June 2024

#### 1 Material Accounting Policy Information

##### (o) Critical Accounting Estimates and Judgments

The directors make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below.

##### **Key estimates - development costs**

Development expenditure incurred on an individual project is carried forward (capitalised) when management considers that its future recoverability can reasonably be regarded as assured.

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets recognition criteria listed above. Where no internally generated intangible asset can be recognised, expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

##### **Key estimates - useful lives of assets**

The Group determines the estimated useful lives and related amortisation charges for its finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The 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.

##### (p) New or amended Accounting Standards and Interpretations adopted

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

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

## Notes to the Financial Statements

### For the Year Ended 30 June 2024

#### 2 Revenue and Other Income

##### Revenue

	2024	2023
	\$	\$
Sales revenue		
- Rendering of services	767,460	784,565
Other revenue		
- interest received	1,415	1,842
<b>Total revenue</b>	<b>768,875</b>	<b>786,407</b>

##### Other Income

- other income	-	2,844
<b>Total other income</b>	<b>-</b>	<b>2,844</b>

#### 3 Income Tax Expense / (benefit)

(a) The major components of tax expense (income) comprise:

	2024	2023
	\$	\$
Current tax expense		
Current tax	-	-
Adjust recognised for current tax of prior periods	-	-
Deferred tax expense		
Relating to the origination and reversal of temporary differences	126	37,852
<b>Income tax expense for continuing operations</b>	<b>126</b>	<b>37,852</b>

(b) Reconciliation of income tax to accounting profit:

	2024	2023
	\$	\$
Profit before tax	(245,503)	(27,490)
Prima facie tax at 30%	(73,651)	(8,247)
- Permanent differences	73,777	46,099
<b>Income tax expense / (benefit)</b>	<b>126</b>	<b>37,852</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2024

#### 4 Dividends

##### Franking account

	2024	2023
	\$	\$
Balance of franking account at year end	18,881	18,881
Adjusted for franking credits arising from:		
Payment of provision for income tax	-	-
<b>Franking credits available for subsequent financial years</b>	<b>18,881</b>	<b>18,881</b>

The above available balance is based on the dividend franking account at year-end adjusted for:

- (a) Franking credits that will arise from the payment of the current tax liabilities;
- (b) Franking debits that will arise from the payment of dividends recognised as a liability at the year end;
- (c) Franking credits that will arise from the receipt of dividends recognised as receivables at the end of the year.

The ability to use the franking credits is dependent upon the Company's future ability to declare dividends.

#### 5 Tax

##### (a) Recognised Deferred Tax Assets and Liabilities

	2024	2023
	\$	\$
Deferred tax assets	58,737	58,381
Deferred tax liabilities	(482)	-
<b>Net deferred tax assets / (liabilities)</b>	<b>58,255</b>	<b>58,381</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2024

#### 5 Tax

##### (b) Deferred Tax Assets

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
<b>Deferred tax assets</b>			
Provisions - employee benefits	64,439	(29,618)	34,821
Employee benefits	3,271	(3,030)	241
Intangibles	19,271	1,461	20,732
Other	9,251	(6,664)	2,587
<b>Balance at 30 June 2023</b>	<b>96,232</b>	<b>(37,851)</b>	<b>58,381</b>
Provisions - employee benefits	<b>34,821</b>	<b>(1,811)</b>	<b>33,010</b>
Employee benefits	<b>241</b>	<b>(241)</b>	<b>-</b>
Intangibles	<b>20,732</b>	<b>3,767</b>	<b>24,499</b>
Other	<b>2,587</b>	<b>(1,359)</b>	<b>1,228</b>
<b>Balance at 30 June 2024</b>	<b>58,381</b>	<b>356</b>	<b>58,737</b>

##### (c) Deferred Tax Liabilities

	Opening Balance	Recognised in profit or loss	Closing Balance
	\$	\$	\$
<b>Deferred tax liabilities</b>			
Other	-	(482)	(482)
<b>Balance at 30 June 2024</b>	<b>-</b>	<b>(482)</b>	<b>(482)</b>

#### 6 Trade and Other Receivables

	2024	2023
	\$	\$
CURRENT		
Trade receivables	75,114	50,051
<b>Total current trade and other receivables</b>	<b>75,114</b>	<b>50,051</b>

##### Credit risk

The Company has concentration of credit risk with respect to related parties. The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

## Notes to the Financial Statements

### For the Year Ended 30 June 2024

#### 7 Property, plant and equipment

	2024	2023
	\$	\$
<b>Motor vehicles</b>		
At cost	26,538	26,538
Accumulated depreciation	(25,378)	(25,006)
<b>Total motor vehicles</b>	<b>1,160</b>	<b>1,532</b>
<b>Office equipment</b>		
At cost	21,239	21,239
Accumulated depreciation	(17,826)	(17,022)
<b>Total office equipment</b>	<b>3,413</b>	<b>4,217</b>
<b>Computer equipment</b>		
At cost	117,234	117,234
Accumulated depreciation	(113,672)	(111,493)
<b>Total computer equipment</b>	<b>3,562</b>	<b>5,741</b>
<b>Total property, plant and equipment</b>	<b>8,135</b>	<b>11,490</b>

#### (a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Motor Vehicles	Office Equipment	Computer Equipment	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2024</b>				
Balance at the beginning of year	1,532	4,217	5,741	11,490
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(372)	(804)	(2,179)	(3,355)
<b>Balance at the end of the year</b>	<b>1,160</b>	<b>3,413</b>	<b>3,562</b>	<b>8,135</b>
	Motor Vehicles	Office Equipment	Computer Equipment	Total
	\$	\$	\$	\$
<b>Year ended 30 June 2023</b>				
Balance at the beginning of year	2,051	5,199	10,185	17,435
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(519)	(982)	(4,444)	(5,945)
<b>Balance at the end of the year</b>	<b>1,532</b>	<b>4,217</b>	<b>5,741</b>	<b>11,490</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2024

#### 8 Intangible Assets

	2024	2023
	\$	\$
<b>Computer software - WIP</b>		
DeRisk	-	1,960,919
QANOTIX	<b>576,277</b>	541,978
<b>Net carrying value</b>	<b>576,277</b>	<b>2,502,897</b>
<b>Computer software - DeRisk</b>		
Cost	<b>5,409,065</b>	3,085,566
Accumulated amortisation and impairment	<b>(1,013,286)</b>	(649,790)
<b>Net carrying value</b>	<b>4,395,779</b>	<b>2,435,776</b>
<b>Total Intangibles</b>	<b>4,972,056</b>	<b>4,938,673</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2024

#### 8 Intangible Assets

	WIP - DeRisk	WIP - QANOT IX	Total Work In Progress	Computer Software - D eRisk	Total Computer Software	Total Intangible
	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2024</b>						
Balance at the beginning of the year	1,960,919	541,978	2,502,897	2,435,776	2,435,776	4,938,673
Addition - internally generated WIP	362,580	34,299	396,879	-	-	396,879
Amortisation expense	-	-	-	(363,496)	(363,496)	(363,496)
Transfer between classes	(2,323,499)	-	(2,323,499)	2,323,499	2,323,499	-
<b>Closing value at 30 June 2024</b>	<b>-</b>	<b>576,277</b>	<b>576,277</b>	<b>4,395,779</b>	<b>4,395,779</b>	<b>4,972,056</b>
	WIP - DeRisk	WIP - QANOT IX	Total Work In Progress	Computer Software - D eRisk	Total Computer Software	Total Intangible
	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2023</b>						
Balance at the beginning of the year	1,313,668	526,732	1,840,400	2,760,546	2,760,546	4,600,946
Addition - internally generated WIP	647,251	15,246	662,497	-	-	662,497
Amortisation expense	-	-	-	(324,770)	(324,770)	(324,770)
Transfer between classes	-	-	-	-	-	-
<b>Closing value at 30 June 2023</b>	<b>1,960,919</b>	<b>541,978</b>	<b>2,502,897</b>	<b>2,435,776</b>	<b>2,435,776</b>	<b>4,938,673</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2024

#### 9 Trade and Other Payables

	2024	2023
	\$	\$
Current		
Unsecured liabilities		
Trade payables	2,653	7,443
Sundry payables and accrued expenses	83,485	63,157
	<b>86,138</b>	<b>70,600</b>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

#### 10 Provisions

	2024	2023
	\$	\$
CURRENT		
Annual leave	38,475	41,687
Long service leave	33,588	30,825
	<b>72,063</b>	<b>72,512</b>
NON-CURRENT		
Long service leave	37,973	43,558
	<b>37,973</b>	<b>43,558</b>

#### 11 Borrowings

	2024	2023
	\$	\$
CURRENT		
Bank overdraft	13,789	-
NON-CURRENT		
Borrowings	1,366,345	1,106,345
	<b>1,366,345</b>	<b>1,106,345</b>

The borrowings are from Rainrose Pty Ltd, a related party, are unsecured, interest free and will not be called upon for at least 12 months from 30 June 2024.

# Notes to the Financial Statements

## For the Year Ended 30 June 2024

### 12 Issued Capital

	2024	2023
	\$	\$
93,981,612 (2023: 94,156,612) Ordinary shares	<b>3,719,817</b>	3,719,817
	<b>3,719,817</b>	3,719,817

#### (a) Ordinary shares

	2024	2023	2024	2023
	No.	No.	\$	\$
At the beginning of the reporting period	<b>94,156,612</b>	94,056,612	3,719,817	3,714,817
Employee share scheme	-	100,000	-	5,000
Cancellation of former employee shares	<b>175,000</b>	-	-	-
<b>At the end of the reporting period</b>	<b>93,981,612</b>	94,156,612	3,719,817	3,719,817

#### (b) Capital Management

Capital of the Company is managed in order to safeguard the ability of the company to continue as a going concern, so that the company can continue to develop its business and generate returns for shareholders.

The Company's capital comprises of shareholders equity and retained earnings.

There are no externally imposed capital requirements.

## Notes to the Financial Statements

### For the Year Ended 30 June 2024

#### 13 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

	2024	2023
	\$	\$
Profit / (Loss) after tax for the year	(245,629)	(65,342)
Non-cash flows in profit:		
- amortisation	363,496	324,770
- depreciation	3,355	5,944
- employee share scheme expense	-	5,000
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(25,063)	27,929
- (increase)/decrease in deferred tax asset	(356)	37,851
- increase/(decrease) in income in advance	-	(9)
- increase/(decrease) in trade and other payables	15,538	(90,732)
- increase/(decrease) in deferred tax liability	482	-
- increase/(decrease) in provisions	(6,034)	(98,727)
Cashflows from operations	<u>105,789</u>	<u>146,684</u>

#### 14 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 30 June 2024 (30 June 2023: None).

#### 15 Interests in Subsidiaries

(a) Composition of the Consolidated Entity

	Principal place of business / Country of Incorporation	Percentage Owned (%) <sup>*</sup> 2024	Percentage Owned (%) <sup>*</sup> 2023
<b>Subsidiaries:</b>			
RR&D Pty Ltd <sup>**</sup>	Brisbane, Australia	100	100
CyberGuardAU Pty Ltd	Brisbane, Australia	100	-

<sup>\*</sup>The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

<sup>\*\*</sup>This company is dormant for the year ended 30 June 2024 (2023: dormant).

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2024**

#### **16 Financial Risk Management**

The Company is exposed to a variety of financial risks through its use of financial instruments. This note discloses the Company's objectives, policies and processes for managing and measuring these risks. The Company does not speculate in financial assets.

##### **Financial instruments used**

The principal categories of financial instrument used by the Company are:

- Trade receivables
- Cash at bank/bank overdraft
- Trade and other payables
- Borrowings

##### **Liquidity risk**

Liquidity risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. Funding for short and long-term liquidity needs is additionally available through related parties.

The Company's liabilities are current and are either expected to be settled with in normal trade terms (i.e., 30 days) or are at call liabilities.

##### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. Trade receivables are recorded with related parties.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

##### **Market risk**

The company exposures to market risk is limited to cash on deposit with Australian banks. Cash is deposited in floating rate, at-call accounts, where the risk of changes in interest rates affecting future cash flows is not considered material.

## Notes to the Financial Statements

### For the Year Ended 30 June 2024

#### 17 Related Parties

The Company's main related parties are as follows:

- Tamawood Limited and its controlled entities;
- Lev Mizikovsky (Director) and Rainrose Pty Ltd;
- Michael Fennell (Director);
- Rade Dudurovic (Director);
- Geoff Acton (Company Secretary) and G&S Quality Systems Pty Ltd;
- Advance ZincTek Limited;
- Veganic SKN Limited.
- Winothai Pty Ltd.

##### (a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity is considered key management personnel.

##### (b) Transactions with related parties

###### (i) Sales of goods

	2024	2023
	\$	\$
<b>Veganic SKN Limited</b>		
- IT Services on-charged at cost	13,589	8,776
<b>Advance ZincTek Limited</b>		
- IT Services on-charged at cost	85,626	94,007
<b>Tamawood Limited</b>		
- IT Services	767,460	681,782

## Notes to the Financial Statements

### For the Year Ended 30 June 2024

#### 17 Related Parties

##### (b) Transactions with related parties

##### (ii) Purchase of goods and services

	2024	2023
	\$	\$
<b>Tamawood Limited</b>		
- Accounting and general services provided	-	12,727
- Rental of premises & related occupancy costs	-	14,802
<b>Advance ZincTek Limited</b>		
- Amazon web services	23,097	7,314
<b>Winothai Pty Ltd</b>		
- Professional fees	10,462	9,525
<b>G&amp;S Quality System Pty Ltd</b>		
- Professional fees	19,350	22,975

##### (iii) Outstanding balances

	2024	2023
	\$	\$
<b>Advance ZincTek Limited</b>		
- Amounts receivable	74,362	31,261
- Amounts payable	36,202	36,202
<b>Tamawood Limited</b>		
- Amounts receivable	-	14,494
- Amounts payable	-	1,408
<b>Rainrose Pty Ltd</b>		
- Borrowings payable (see note 11)	1,366,345	1,106,345

# Notes to the Financial Statements

## For the Year Ended 30 June 2024

### 18 Key Management Personnel Remuneration

The total of remuneration paid to the key management personnel of SenterpriSys Limited during the year are as follows:

	2024	2023
	\$	\$
Short-term employee benefits	216,526	226,601
Long-term benefits	2,763	17,505
Post-employment benefits	18,205	2,730
	<u>237,494</u>	<u>246,836</u>

### 19 Auditors' Remuneration

	2024	2023
	\$	\$
Remuneration of the auditor William Buck Audit (Vic) Pty Ltd, for:		
- auditing the financial statements	20,500	19,600
	<u>20,500</u>	<u>19,600</u>

### 20 Events Occurring After the Reporting Date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

### 21 Company Details

The registered office and principle place of business of the company is:

SenterpriSys Limited  
81 Shettleston Street  
Rocklea, QLD 4106

### 22 Earnings per Share

(a) Earnings used to calculate overall earnings per share

	2024	2023
	\$	\$
(loss) / Profit attributable to members of parent entity used in calculation of basic and diluted EPS	(245,629)	(65,342)

(b) Weighted average number of shares used

	2024	2023
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic and diluted EPS	94,053,811	94,056,886

## Notes to the Financial Statements

### For the Year Ended 30 June 2024

#### 23 Operating Segments

The Group has identified it has one operating segment based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

#### 24 Cash and Cash Equivalents

	2024	2023
	\$	\$
Cash at bank	-	17,301

#### *Reconciliation to cash and cash equivalents at the end of the financial year*

The above figures are reconciled to cash and cash equivalents at the end of the financial year as shown in the statement of cash flows as follows:

	2024	2023
	\$	\$
Balances as above	-	17,301
Bank overdraft (note 11)	(13,789)	-
<b>Balance as per statement of cash flows</b>	<b>(13,789)</b>	<b>17,301</b>

## **Consolidated Entity Disclosure Statement**

**As at 30 June 2024**

	<b>Entity type</b>	<b>Principal place of business / Country of Incorporation</b>	<b>Percentage Owned (%)* 2024</b>	<b>Tax Residency</b>
SenterpriSys Limited	Body Corporate	Brisbane, Australia	<b>N/A</b>	Australia*
RR&D Pty Ltd	Body corporate	Brisbane, Australia	<b>100</b>	Australia*
CyberGuardAU Pty Ltd	Body corporate	Brisbane, Australia	<b>100</b>	- Australia*

### **Basis of Preparation**

This Consolidated entity disclosure statement (CEDS) has been prepared in accordance with the Corporations Act 2001 and includes information for each entity that was part of the Group as at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements

### **Determination of tax residency**

Section 295 (3A)(vi) of the Corporation Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are different interpretations that could be adopted, and which could give rise to a different conclusion on residency. In determining tax residency, the consolidated entity has applied the following interpretations:

#### **Australian tax residency**

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

### **Partnerships and Trusts**

None of the entities noted above were trustees of trusts within the consolidated entity, partners in a partnership within the consolidated entity or participants in a joint venture within the Group

\*SenterpriSys Limited (the "head entity") and its wholly-owned Australian subsidiaries have formed an income tax consolidated group the tax consolidation regime.

## Independent auditor's report to the members of SenterpriSYS Limited

### Report on the audit of the financial report



#### Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial report of SenterpriSYS Limited (the Company) and its subsidiaries (the Group) is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### What was audited?

We have audited the financial report of the Group, which comprises:

- the consolidated statement of financial position as at 30 June 2024,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended,
- notes to the financial statements, including material accounting policy information,
- the consolidated entity disclosure statement, and
- the directors' declaration.

### Basis for qualified opinion

Included in the statement of financial position and Note 8 at 30 June 2024 is capitalised software development in relation to the QANOTIX product, amounting to \$576,277. The Directors are of the opinion that the carrying amount of software work in progress is appropriate and does not require impairment at 30 June 2024. We have been unable to obtain sufficient appropriate audit evidence to support the carrying value of this asset. Consequently, we were unable to determine whether any adjustment to this amount is necessary.

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the

Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

**Material uncertainty related to going concern**

We draw attention to Note 1(c) in the financial report, which indicates that the Group incurred a net loss of \$245,629 during the year ended 30 June 2024 and, as of that date, the Group had net tangible liabilities of \$1,493,541. As stated in Note 1(c), these events or conditions, along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**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 matter described in the *Basis for qualified opinion* section and the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Related Party Transactions	Area of focus (refer also to remuneration report on page 5 and Notes 1(c) and Note 17)	How our audit addressed the key audit matter
	<p>The Group conducted material related party transactions with entities where key management personnel have interests and/or are directors. As such, there is a risk that not all related party transactions are disclosed in the financial report or that related party transactions have been made on non-arm’s length basis. This could result in insufficient information being provided in order to enable the reader to understand the nature and effect of the various related party relationships and transactions.</p> <p>As such this matter has been determined as a key area of focus for audit.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"><li>— Assessment of the Group’s controls to identify and disclose related party relationships and transactions in accordance with the relevant accounting standards and the <i>Corporations Act 2001</i>;</li><li>— Comparing the list of related parties provided by the directors with internal sources;</li><li>— Conducting an ASIC search for external directorships held by the Board members to evaluate whether all related party relationships and transactions had been appropriately identified and disclosed; and</li><li>— Assessing whether related party transactions were conducted at arms-length by comparing the basis of the transactions to external sources.</li></ul>

		<ul style="list-style-type: none"> <li>— For each class of related party transaction, we compared the financial statement disclosures against the underlying transactions and the Australian Accounting Standards and <i>Corporations Act 2001</i> requirements</li> </ul>
<b>Carrying Value of Intangible assets</b>	<p><b>Area of focus</b> (refer also to notes 1(s), 1(h) &amp; 8)</p> <p>The Group continued to invest in the software development of its small enterprise management systems for the housing industry and subcontractors and capitalised \$396,879 for the year ended 30 June 2024.</p> <p>Valuation, capitalisation and impairment testing of the capitalised software development costs required critical estimations and judgements of those charged with governance to accurately account for the intangible assets of the Group.</p> <p>As such this matter has been determined as a key area of focus for audit.</p>	<p><b>How our audit addressed the key audit matter</b></p> <p>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>— Reviewing internal management documentation and accounting policy in respect of development costs; and</li> <li>— Assessing whether intangible assets were eligible for capitalisation under AASB 138 Intangible Assets and assessing the extent of impairment of intangible assets; and</li> <li>— Testing amounts capitalised by examining and re-calculating the remuneration of employees conducting work on their software development, including a check to internal timesheets, as well as the nature of the asset.</li> </ul> <p>We also assessed the adequacy of the Group's financial statement disclosures.</p>

## Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 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.

## **Responsibilities of the directors for the financial report**

The directors of the Company are responsible for the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

- the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

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

## **Auditor's responsibilities for the audit of the financial report**

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

## Report on the Remuneration Report



### Our opinion on the Remuneration Report

In our opinion, the Remuneration Report of SenterpriSYS Limited, for the year ended 30 June 2024, complies with section 300A of the *Corporations Act 2001*.

### What was audited?

We have audited the Remuneration Report included in of the directors' report for the year ended 30 June 2024

## Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 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.

**William Buck Audit (Vic) Pty Ltd**

ABN 59 116 151 136

**C. L. Sweeney**

Director

Melbourne, 30 September 2024

## Corporate Governance Statement

### For the Year Ended 30 June 2024

The objective of the Board of SenterpriSys is to create and deliver long term shareholder value through a range of diversified but interrelated activities involving software development.

The company's charters, committees and corporate governance principles are on our website [www.senterprisys.com](http://www.senterprisys.com)

## Shareholder Information

### NSX Additional Information

Additional information required by the National Stock Exchange of Australia Listing Rules and not disclosed elsewhere in this report is set out below. This information is effective as at 3 September 2024.

### Substantial shareholders

The number of substantial shareholders and their associates are set out below:

### Voting rights

#### *Ordinary Shares*

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

#### *Options*

No voting rights.

### Distribution of equity security holders

Holding	Ordinary shares	
	No. of holders	No. of shares
1 - 1,000	1,868	445,084
1,001 - 5,000	830	2,047,021
5,001 - 10,000	168	1,191,961
10,001 - 100,000	169	3,993,093
100,001 and over	47	86,304,453
	<b>3,082</b>	<b>93,981,612</b>

## Shareholder Information

### For the Year Ended 30 June 2024

#### Substantial shareholders

The number of substantial shareholders and their associates are set out below:

#### Twenty largest shareholders

	Number held	% of issued shares
POLTICK PTY LTD	27,143,669	28.88%
RAINROSE PTY LTD	20,349,759	21.65%
TAMAWOOD LIMITED	9,619,654	10.24%
SKYLEVI PTY LTD <SUPERFUN SUPER FUND A/C>	4,983,904	5.30%
NOWCASTLE PTY LTD	3,925,214	4.18%
ANKLA PTY LTD	3,065,491	3.26%
MR ANDREW BARRY THOMAS	1,915,498	2.04%
MR MICHAEL WILLIAM FENNELL & MRS TANIA MAREE FENNELL <FENNELL FAMILY A/C>	1,550,001	1.65%
MR JOSEPH KEVIN MIZIKOVSKY	1,362,120	1.45%
MIZI SUPERANNUATION PTY LTD <MIZI SUPER FUND A/C>	1,172,280	1.25%
RELAX AND RECREATION PTY LTD <A B THOMAS SUPER FUND A/C>	1,065,910	1.13%
IAN HENDERSON	702,187	0.75%
ROBERT PATRICK LYNCH	624,167	0.66%
RIPELAND PTY LTD	551,940	0.59%
IAN HENDERSON & MARIAN ELIZABETH HENDERSON <THE SCOTSTOUN SUPERFUND A/C>	547,813	0.58%
ODALREACH PTY LTD	528,252	0.56%
M & T FENNELL SUPER FUND PTY LTD <THE M & T SUPER FUND A/C>	500,000	0.53%
MR TIMOTHY MARK BARTHOLOMAEUS	468,125	0.50%
MR ROBERT LYNCH & MRS SINEAD LYNCH <R & S LYNCH S/F A/C>	466,667	0.50%
MR RADE DUDUROVIC & MRS JACQUELINE JEANETTE DUDUROVIC <R&J SUPERANNUATION FUND A/C>	350,840	0.37%
	<b>80,893,491</b>	<b>86.07%</b>

#### Securities exchange

The Company is listed on the National Stock Exchange of Australia ("NSX") (NSX code: SPS).

#### Share registry

The register of security holders of the Company is kept at the office of Automic Registry Services.

Level 5, 126 Phillip Street  
Sydney NSW 2000

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