

## Appendix 4D – Interim Financial

### Report for Half Year Ended

**31 December 2018**

Name of Entity: **SENERPRISYS LIMITED**  
 ABN: **14 146 845 123**  
 Current period: **1 July 2018 to 31 December 2018**  
 Previous corresponding period: **1 July 2017 to 31 December 2017**

#### RESULTS FOR ANNOUNCEMENT TO THE MARKET

##### Key Information

				\$'000
Revenue from ordinary activities	down by	32.4%	to	250
Loss after tax from continuing activities attributable to members	reduced by	116.34%	to	(33)
Net Loss attributable to members	reduced by	116.34%	to	(33)

##### Dividends Paid and Proposed

The Board considers that no interim dividend will be paid

#### NET TANGIBLE ASSETS PER SHARE

	Half-year Ended 31 December 2018	Half-year Ended 31 December 2017
Net tangible assets per share	0.21 cents	0.19 cents

#### EARNINGS PER SHARE

Basic earnings per share	(0.05 cents)	(0.37 cents)
Weighted average number of shares	62,623,846	55,478,347

#### CONTROL GAINED OR LOST OVER ENTITIES IN THE HALF YEAR

##### Subsidiaries

No changes to control over subsidiaries during the half year

##### Associates and joint venture entities

The Group has no associates or joint ventures

# **SenterpriSys Limited**

ABN 14 146 845 123

## **Interim Financial Statements**

**For the Half Year Ended 31 December 2018**

# **SenterpriSys Limited**

ABN 14 146 845 123

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## **Directors' Report**

### **For the Half Year Ended 31 December 2018**

The directors submit the interim financial report of the Company for the half year ended 31 December 2018.

#### **1. General information**

##### **Directors**

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

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

##### **Company secretaries**

Mr Geoff Acton	(B.Com, ACA, GAICD)
Miss Narelle Lynch	("Cert Gov Prac")

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

A review of the operations of the Company during the half year ended 31 December 2018 and the results of those operations show an operating loss after tax of \$33,870 (31 December 2017: \$207,251 profit). The small loss is directly attributable to the costs associated with listing on the National Stock Exchange of Australia ("NSX"). The business continues to develop small enterprise management systems which are being market tested by third parties. The revenue of \$247,715 was earned from continuing to support and maintain the systems of Tamawood Limited, Astivita Limited, Advance NanoTek Limited and licensing fees for the use of the enterprise software by Tamawood Limited.

#### **3. Other items**

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

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

##### **Matters or circumstances arising after the end of half year**

Subsequent to 31 December 2018, SenterpriSys undertook a Capital Raising and listed on the NSX on 5 February 2019. The Company issued 6,401,583 shares at 10c per share, raising \$640,158. The total number of shares after listing is 70,417,412 and issued capital after listing is \$3,009,391. Except as above, no matters or circumstances have arisen since the end of the financial half 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.

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

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2018 has been received and can be found on page 2 of the interim financial report.

This report is signed in accordance with a resolution of the Board of Directors.



Lev Mizikovsky

Director

28 February 2019

**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE  
CORPORATIONS ACT 2001 TO THE DIRECTORS OF SENTERPRISYS LIMITED**

I declare that, to the best of my knowledge and belief during the half-year ended 31 December 2018 there have been:

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

*William Buck*

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

*J. C. Luckins*

**J. C. Luckins**  
Director

Dated this 28<sup>th</sup> day of February, 2019

**CHARTERED ACCOUNTANTS  
& ADVISORS**

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**Interim Statement of Profit or Loss and Other Comprehensive Income**  
**For the Half Year Ended 31 December 2018**

		<b>31 December</b>	<b>31 December</b>
		<b>2018</b>	<b>2017</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Revenue	3	<b>250,054</b>	369,889
Employee benefits expense		<b>(622,262)</b>	(465,222)
Less software development costs capitalised		<b>573,329</b>	391,921
Depreciation and amortisation expense		<b>(7,123)</b>	(8,011)
Professional fees		<b>(151,836)</b>	(35,202)
Information, communication and technology		<b>(62,284)</b>	(2,658)
Rent		<b>(13,487)</b>	(19,105)
Other expenses		<b>(23,276)</b>	(17,073)
<b>(Loss) Profit before income tax</b>		<b>(56,885)</b>	214,539
Income tax benefit (expense)		<b>23,015</b>	(7,288)
<b>(Loss) Profit from continuing operations</b>		<b>(33,870)</b>	207,251
<b>(Loss) Profit for the half year</b>		<b>(33,870)</b>	207,251
<b>Other comprehensive income, net of income tax</b>		-	-
<b>Total comprehensive income for the year</b>		<b>(33,870)</b>	207,251
<b>Earnings per share</b>			
Basic earnings per share		<b>(0.05) cents</b>	<b>0.37 cents</b>
Diluted earnings per share		<b>(0.05) cents</b>	<b>0.37 cents</b>

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

# **Interim Statement of Financial Position**

**As At 31 December 2018**

		<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	<b>26,201</b>	167,695
Trade and other receivables		<b>77,664</b>	5,673
<b>TOTAL CURRENT ASSETS</b>		<b>103,865</b>	173,368
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>33,400</b>	31,721
Deferred tax assets		<b>73,297</b>	50,281
Intangible assets		<b>2,204,551</b>	1,631,222
<b>TOTAL NON-CURRENT ASSETS</b>		<b>2,311,248</b>	1,713,224
<b>TOTAL ASSETS</b>		<b>2,415,113</b>	1,886,592
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		<b>24,575</b>	43,471
Provisions		<b>106,020</b>	111,238
Unearned Income		<b>105,795</b>	326,509
Borrowings (Current)		-	700,000
<b>TOTAL CURRENT LIABILITIES</b>		<b>236,390</b>	1,181,218
<b>NON-CURRENT LIABILITIES</b>			
Provisions		<b>28,916</b>	24,292
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>28,916</b>	24,292
<b>TOTAL LIABILITIES</b>		<b>265,306</b>	1,205,510
<b>NET ASSETS</b>		<b>2,149,807</b>	681,082
<b>EQUITY</b>			
Issued capital	4	<b>2,369,233</b>	866,638
Accumulated losses		<b>(219,426)</b>	(185,556)
<b>Total equity attributable to equity holders of the Company</b>		<b>2,149,807</b>	681,082
<b>TOTAL EQUITY</b>		<b>2,149,807</b>	681,082

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

## SenterpriSys Limited

ABN 14 146 845 123

### Interim Statement of Changes in Equity

For the Half Year Ended 31 December 2018

	Ordinary Shares	Retained Earnings	General Reserve	Total
Note	\$	\$	\$	\$
Balance at 1 July 2018	866,638	(185,556)	-	681,082
Profit / (Loss) for the half year	-	(33,870)	-	(33,870)
Transactions with owners in their capacity as owners				
Issue of shares	1,502,595	-	-	1,502,595
Balance at 31 December 2018	2,369,233	(219,426)	-	2,149,807

  

	Ordinary Shares	Retained Earnings	General Reserve	Total
Note	\$	\$	\$	\$
Balance at 1 July 2017	866,638	(401,437)	-	465,201
Profit / (Loss) for the half year	-	207,251	-	207,251
Transactions with owners in their capacity as owners				
Balance at 31 December 2017	866,638	(194,186)	-	672,452

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



# **Interim Statement of Cash Flows**

## **For the Half Year Ended 31 December 2018**

	31 December 2018	31 December 2017
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers (including GST)	17,428	634,497
Payments to suppliers and employees (including GST)	(381,725)	(185,517)
Interest received	2,339	318
Net cash provided by/(used in) operating activities	<u>(361,958)</u>	<u>449,298</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(8,802)	(12,190)
Purchase of intangible assets	(573,329)	(419,707)
Net cash provided by/(used in) investing activities	<u>(582,131)</u>	<u>(431,897)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Repayments of borrowings	(700,000)	-
Proceeds from issue of shares	1,502,595	-
Net cash provided by/(used in) financing activities	<u>802,595</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	(141,494)	17,401
Cash and cash equivalents at beginning of year	167,695	48,484
Cash and cash equivalents at end of the half year	<u>26,201</u>	<u>65,885</u>

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

## **Notes to the Financial Statements**

### **For the Half Year Ended 31 December 2018**

#### **1 Summary of Significant Accounting Policies**

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

This condensed interim financial report for the reporting period ending 31 December 2018 has been prepared in accordance with the requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting.

The interim financial report is intended to provide users with an update on the latest annual financial statements of SenterpriSys Limited. As such it does not contain information that represents relatively insignificant changes occurring during the half year within the Company. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2018, together with any public announcements made during the half year.

##### **Accounting Policies**

Except as described below in Note b, the same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

##### **(b) New and Amended Standards Adopted by the Group**

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period and the group had to change its accounting policies and consider making retrospective adjustments as a result of adopting the following standards:

AASB 9: Financial Instruments, and

AASB 15: Revenue from Contracts with Customers.

The impact of the adoption of these standards and the respective accounting policies are disclosed in Note 1(c).

##### **(c) Impact of New Standards Issued Applied by the Group**

###### **AASB 15 Revenue from Contracts with Customers**

The Group has adopted AASB 15 as issued in May 2014 with the date of initial application being 1 July 2018. In accordance with the transitional provisions in AASB 15 the standard has been applied using the full retrospective approach. In this regard, the Group applied a practical expedient and did not restate any contract that were completed at the beginning of the earliest period presented.

AASB 15 supersedes AASB 18 Revenue, AASB 111 Construction Contracts and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under AASB 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

###### *Revenue accounting policy – rendering of services*

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

## **Notes to the Financial Statements**

### **For the Half Year Ended 31 December 2018**

#### AASB 9 Financial Instruments

The group has adopted AASB 9 as issued in July 2014 with the date of initial application being 1 July 2018. In accordance with the transitional provisions in AASB 8, comparative figures have not been restated. AASB 9 replaces AASB 39 Financial Instruments: Recognition and Measurement, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

#### Measurement and classification

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss (FVTPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the SPPI criterion). The SPPI test is applied to the entire financial asset, even if it contains an embedded derivative. Consequently, a derivative embedded in a debt instrument is not accounted for separately.

At the date of initial application, existing financial assets and liabilities of the Group were assessed in terms of the requirements of AASB 9. The assessment was conducted on instrument that had not been derecognised as at 1 July 2018. In this regard, the Group has determined that the adoption of AASB 9 has impacted the classification of financial instruments at 1 July 2018 as follows:

Cash and cash equivalent and trade and other receivables which were previously classified as loans and receivables, are now classified as financial assets at amortised cost, from 1 July 2018. The change in classification has not resulted in any re-measurement adjustments at 1 July 2018

#### **(d) New Accounting Standards and Interpretations**

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Group has decided not to early adopt these Standards. The following table summarises those future requirements, and their impact on the Group where the standard is relevant:

<b>Standard Name</b>	<b>Effective date for entity</b>	<b>Requirements</b>	<b>Impact</b>
AASB 16 Leases	1 July 2019	Significant revisions to accounting for operational leases on balance sheet by Lessees of property and high value equipment. However, exemptions for short term leases and leases of low value assets will reduce the impact.	The entity will be required to recognise a right of use asset and lease liability for its operating leases of premises.

#### **(e) Going Concern**

The directors have prepared the financial report on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business. As at report date the company has a net current liability position of 132,525 (30 June 2018: \$1,007,850), a deficiency in net tangible assets of \$128,041 (30 June 2018: \$1,000,421) and accumulated losses of \$219,426 (30 June 2018: \$185,556).

## **Notes to the Financial Statements**

### **For the Half Year Ended 31 December 2018**

The company's ability to continue as a going concern, until revenue is generated from non -related parties, is dependent on the on-going support of related parties and future capital raisings. Subsequent to 31 December 2018, SenterpriSys has issued 6,401,583 shares at 10c, raising \$640,158, to be used as working capital.

Accordingly the directors believe that the company 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 these financial statements. These financial statements do not include 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 Company not continue as a going concern.

## **Notes to the Financial Statements**

### **For the Half Year Ended 31 December 2018**

#### **2 Revenue and Other Income**

##### **Revenue from continuing operations**

	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>
<b>Sales revenue</b>		
- Rendering of services	<u>247,715</u>	369,571
<b>Other revenue</b>		
- interest received	<u>2,339</u>	318
<b>Total revenue</b>	<u>250,054</u>	369,889

#### **3 Cash and Cash Equivalents**

	<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
Cash at bank	<u>26,201</u>	167,695
	<u>26,201</u>	167,695

Cash at bank has increased subsequent to half year end, with the proceeds of the capital raising, refer to note 6 for further details.

#### **4 Issued Capital**

	<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
Ordinary shares	<u>2,369,233</u>	866,638
	<u>2,369,233</u>	866,638

On 31 July 2018 the company issued 17,074,962 shares at 0.088 cents per share, raising \$1,502,595.

On 8 October 2018 the company undertook a share consolidation, with shareholders receiving 1 share for every 2 shares held.

## **Notes to the Financial Statements**

### **For the Half Year Ended 31 December 2018**

#### **5 Contingencies**

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2018 (30 June 2018:None).

#### **6 Events Occurring After the Reporting Date**

Subsequent to 31 December 2018, SenterpriSys undertook a Capital Raising and listed on the NSX on 5 February 2019. The Company issued 6,401,583 shares at 10c per share, raising \$640,158. The total number of shares after listing is 70,417,412 and issued capital after listing is \$3,009,391.

Except as above, no matters or circumstances have arisen since the end of the financial half 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.

#### **7 Statutory Information**

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

SenterpriSys Limited  
15 Suscatand Street  
Rocklea QLD 4106

## **Directors' Declaration**

The directors of the Company declare that:

1. The interim financial statements and notes, as set out on pages 4 are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - (b) give a true and fair view of the consolidated group's financial position as at 31 December 2018 and of its performance for the half-year ended on that date.
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.

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



Lev Mizikovsky

Director

28 February 2019

## SenterpriSys Limited

### Independent auditor's report to the members

### Report on the Review of the Half-Year Financial Report

#### Conclusion

We have reviewed the accompanying half-year financial report of SenterpriSys Limited, which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the declaration by the directors of the responsible entity (SenterpriSys Limited).

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of SenterpriSys Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the half year ended on that date; and
- b) complying with Australian Accounting Standard 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

#### Material Uncertainty related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the entity had a net current liability position at 31 December 2018 of \$132,525 (30 June 2018: \$1,007,850); incurred a loss of \$33,870 (31 December 2017: \$207,251 profit); and had net cash outflows from operations of \$361,958 (31 December 2017: \$449,298 inflow) during the half year ended 31 December 2018. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

#### Responsibilities of the Directors' for the Half-Year Financial Report

The directors of the responsible entity are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### CHARTERED ACCOUNTANTS & ADVISORS

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[williambuck.com](http://williambuck.com)



### **Auditor's Responsibilities for the Review of the Half-Year Financial Report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- giving a true and fair view of the company's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

As the auditor of SenterpriSys Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Independence**

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



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



**J. C. Luckins**  
Director

Dated this 28<sup>th</sup> day of February 2019