

# **SenterpriSYS Limited**

ABN 14 146 845 123

## **Financial Statements**

**For the Year Ended 30 June 2021**

# SenterpriSYS Limited

ABN 14 146 845 123

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For the Year Ended 30 June 2021

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## SenterpriSYS Limited

ABN 14 146 845 123

### Executive Chairman's Letter For the Year Ended 30 June 2021

The Company recorded a net profit of \$288,418 (2020: \$142,878). The Company has a positive working capital position of \$212,244 (2020: (\$310,055)).

We now confirm that after many false starts, Tamawood Limited is using all of the modules and in FY21 25% of the project's capitalised software development cost has commenced amortisation over 10 years. A further 50% of the capitalised software development cost will commence amortisation in FY22.

A complete overhaul of the website and digital marketing has commenced with a focus on builders in the US and Australian markets.

#### FY22 Outlook

- The knowledge database software has been given to two companies to beta test. It is anticipated this will be fully operational before December 2021. This software will form the basis for the first version of "QANOTIX" (ISO:9001 quality assurance software) which will be available in FY22 and adapted for use by a number of industries.
- Website and digital marketing activity will increase, and the number of enquiries is expected to grow now that BUILDERSYS has been substantially completed. As part of our marketing strategy, we incorporated key search terms in our description of the BUILDERSYS software as follows:

SENERPRISYS, is an easy to use, JOB COSTING AND PROJECT TRACKING BUILDERSYS integration ERP system that offers improved accuracy, standardisation, and automation. It offers Virtual ASSISTANT PROCESS, ESTIMATING, CRM, SCHEDULING, CONSTRUCTION AND ACCOUNTING MANAGERS, and delivers seamless efficiency, industry-focused data integration and functionality with the possibility of significantly increasing BACK OFFICE AND SUPERVISORY STAFF PRODUCTIVITY. The system also provides automatic reporting of, user defined, DELAYED individual TASKS lists to the responsible manager. The structure of the login access to key documents on the BUILDERSYS PORTAL ensures necessary documents are signed and delivered as required.

BUILDERSYS is designed to easily import up-to-date material prices and specification data that is available on various websites as well as, in most cases, offer easy INTEGRATION WITH EXISTING ACCOUNTING SOFTWARE. The software can also be easily converted to PRE-EXISTING TERMINOLOGY AND CUSTOM CONSTRUCTION PROCESSES. Work from home and mobile devices are also supported. Payment approvals are user defined and linked to WORK IN PROGRESS REPORTING, prior work inspections and third-party certification. Orders, claims, contract documentation are automatically posted from the document library to, login controlled, SUBCONTRACTOR/SUPPLIER AND CUSTOMER PORTALS.

The solution was developed, tested, and improved over 30 years of continuous use, designed for automated scheduling and rescheduling efficiency, it can standardise the CONTROL SALES PROCESS and initial CUSTOMER COMMUNICATIONS leading to reductions in errors and potentially improved margins. SUBCONTRACTOR RETENTION can be improved through better scheduling, and reduced losses caused by poorly timed and incorrect order deliveries. Time saved by SUPERVISORS may be used for additional inspections resulting in IMPROVED SITE SAFETY, QUALITY, AND CUSTOMER SATISFACTION or reduced indirect costs. Handheld mobile device-based certification, preceding claims, also assists process standardisation.

## Executive Chairman's Letter For the Year Ended 30 June 2021

BUILDERSYS licencing requires no significant upfront investment, nor a fixed term agreement, USD40 per month per active project, in addition to usual service providers fees and SMS service charges needed to enable some of the functions. The extremely low cost compares favourably with the commonly quoted 1% to 2% of total revenue cost for much less effective software solutions. Back-office automation and productivity gains alone should produce substantial return on USD40 per month whereby users invest in fully integrated CRM, Job costing and project tracking software on a per active project basis. Importantly users can start or stop using the system at any time with the number of projects left entirely up to the user and all data remains available notwithstanding a project being inactive.

- Following the recent capital raising, the Company has sufficient working capital to meet its obligations for the next 18 months, in addition, Rainrose Pty Ltd, an entity I control, has signed a letter of support guaranteeing the Company's obligations.

### SPS Performance since 2019

	2019	2020	2021
Revenue	\$586,368	\$709,979	\$1,015,169
Employee Wages	\$166,383	\$243,618	\$454,757
Profit After Tax	\$6,008	\$142,878	\$288,418
EPS	0.009¢	0.002¢	0.004¢
Share Price as at 30 June	17¢	7¢	3¢



Lev Mizikovsky  
Executive Chairman

Dated: 8 September 2021

## SenterpriSYS Limited

ABN 14 146 845 123

### Directors' Report For the Year Ended 30 June 2021

The directors present their report, together with the financial statements of the Company, being SenterpriSYS Limited ("SenterpriSYS" or the "Company") and its controlled entities ("Group"), for the financial year ended 30 June 2021.

#### 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
Laurie Lefcourt	Non-executive Director
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 during the financial year was to develop enterprise project management software for small to medium residential house builders and subcontractors ("Software").

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

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

The Group achieved an operating profit after tax of \$288,418 for the year ended 30 June 2021 (2020: \$142,878). The revenue of \$1,015,169 was derived from continuing to provide support and maintenance for the IT systems of Tamawood Limited, AstiVita Limited and Advance NanoTek 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 companies.

While the Group is still in Software development phase, all modules are being utilised by Tamawood Limited, a related entity. SenterpriSYS has commenced marketing the Software and a number of third-party enquiries have been generated.

#### Review of financial position

The net assets of SenterpriSYS increased from \$2,972,721 as at 30 June 2020 to \$3,966,565 as at 30 June 2021. Please refer to the Executive Chairman's letter on pages 1-2 for further commentary.

As at 30 June 2021 the Group had working capital of \$212,244 (2020: (\$310,055)).

## SenterpriSYS Limited

ABN 14 146 845 123

# Directors' Report

## For the Year Ended 30 June 2021

Review of financial position

Following the recent capital raising, the Group has sufficient working capital to meet its obligations for the next 18 months. In addition, 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 the next twelve months.

### COVID-19 impact to the company

There has been no impact to revenue or the business activities of SenterpriSYS due to COVID-19. The Group has not qualified for Government support from the JobKeeper initiatives.

### 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.

### 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 has substantially completed the Software development phase and the focus in FY22 will be to market the Software to residential house builders and subcontractors in order to provide these businesses with an integrated software solution that addresses order processing, supply chain management, estimating, project management and customer relationship management. Website and digital marketing has already commenced.

### 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 Group 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 in 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.

## SenterpriSYS Limited

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# Directors' Report For the Year Ended 30 June 2021

### Information on directors

Lev Mizikovsky

Qualifications

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 NanoTek Limited, Tamawood Limited and AstiVita Limited.

Experience

Rade Dudurovic

Qualifications

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 qualifications in commerce and law and is a CPA as well as Senior Fellow of FINSIA. Rade is a Non-executive Director of Advance NanoTek Limited and AstiVita Limited.

Experience

Laurie Lefcourt

Qualifications

B. Finance & Administration, FCA, GAICD

Laurie has extensive experience in senior finance roles across a number of industries including mining and resources, construction, infrastructure and agriculture. She has held CFO and company secretary roles in both small and large organisations. Laurie has significant experience from her executive career relating to strategy, governance, risk management and compliance. Laurie is a Non-executive Director of Tamawood Limited and Advance NanoTek Limited.

Experience

Michael Fennell

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.

Experience

### Company secretaries

Geoff Acton

Qualifications

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.

Experience

Narelle Lynch

Qualifications

Cert (Gov Prac)

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

Experience

## Directors' Report For the Year Ended 30 June 2021

### Meetings of directors

During the financial year, 16 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 attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Lev Mizikovsky	11	11	2	2	1	1	1	1	1	1
Rade Dudurovic	11	11	2	2	1	1	1	1	1	1
Laurie Lefcourt	11	11	2	2	1	1	1	1	1	1
Michael Fennell	11	11	0	2*	0	1*	0	1*	0	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 2021 was Nil (2020: Nil).

### 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 2021 has been received and can be found on page 12 of the financial report.

### Remuneration report (audited)

This remuneration report for the year ended 30 June 2021 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.



## **Directors' Report**

### **For the Year Ended 30 June 2021**

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

##### Executives 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; and
- Commission and bonuses payable.

## SenterpriSYS Limited

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### Directors' Report For the Year Ended 30 June 2021

#### Remuneration report (audited)

#### Remuneration details for the year ended 30 June 2021

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			Equity settled shares	Post employment		Termination Benefits	Total
	Cash salary fees & Leave	Bonus	Non monetary		Superannuation	Long term Benefits (LSL)		
2021	\$	\$	\$	\$	\$	\$	\$	\$
<b>Directors</b>								
L Mizikovsky (Executive Chairman)	-	-	-	-	-	-	-	-
R Dudurovic (Non-executive Director)	20,000	-	-	-	-	-	-	20,000
L Lefcourt (Non-executive Director)	20,000	-	-	-	-	-	-	20,000
<b>Sub-total Non-executive Directors</b>	<b>40,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>40,000</b>
<b>Executive Directors</b>								
M Fennell (Managing Director)	155,142	-	-	-	14,739	2,602	-	172,483
<b>Sub-total Executive Directors</b>	<b>155,142</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,739</b>	<b>2,602</b>	<b>-</b>	<b>172,483</b>
<b>Total</b>	<b>195,142</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,739</b>	<b>2,602</b>	<b>-</b>	<b>212,483</b>

## SenterpriSYS Limited

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### Directors' Report For the Year Ended 30 June 2021

#### Remuneration report (audited)

Remuneration details for the year ended 30 June 2021

	Short term Benefits			Equity settled shares	Post employment			Totals
	Cash salary fees & Leave	Superannuation	Non monetary		Superannuation	Long term Benefits (LSL)	Termination Benefits	
2020	\$	\$	\$	\$	\$	\$	\$	\$
<b>Directors</b>								
L Mizikovsky (Executive Chairman)	-	-	-	-	-	-	-	-
R Dudurovic (Non-executive Director)	20,000	-	-	-	-	-	-	20,000
L Lefcourt (Non-executive Director)	20,000	-	-	-	-	-	-	20,000
<b>Sub-total Directors</b>	40,000	-	-	-	-	-	-	40,000
<b>KMP</b>								
M Fennell (Managing Director)	173,250	-	13,208	-	14,798	-	-	201,256
<b>Sub-total Executive Directors</b>	173,250	-	13,208	-	14,798	-	-	201,256
<b>Total</b>	213,250	-	13,208	-	14,798	-	-	241,256

#### Cash performance related bonuses

None of the key management personnel remuneration paid in 2021 was performance based (2020: Nil).

## SenterpriSYS Limited

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# Directors' Report

## For the Year Ended 30 June 2021

### Remuneration report (audited)

#### Key management personnel shareholdings

	Balance at beginning of year	Granted as remuneration	Other changes	Balance at the end of year
<b>30 June 2021</b>				
<b>Directors</b>				
Lev Mizikovsky	39,451,633	-	19,923,841	59,375,474
Rade Dudurovic	585,292	-	4,584	589,876
Laurie Lefcourt	-	-	4,334	4,334
Michael Fennell	2,059,337	-	2,193	2,061,530
	<u>42,096,262</u>	<u>-</u>	<u>19,934,952</u>	<u>62,031,214</u>
<b>30 June 2020</b>				
<b>Directors</b>				
Lev Mizikovsky	39,451,633	-	-	39,451,633
Rade Dudurovic	585,292	-	-	585,292
Laurie Lefcourt	-	-	-	-
Michael Fennell	2,059,337	-	-	2,059,337
	<u>42,096,262</u>	<u>-</u>	<u>-</u>	<u>42,096,262</u>

In April 2021, SenterpriSYS undertook a rights issue on a 1 for 3 basis raising \$705,426 and issued 23,514,200 shares on 3 May 2021.

#### Equity Instruments Granted as Share Based Payment

Details of ordinary shares in the Company, issued as a result of the implementation of the Employee Share Scheme are set below:

Share based payments	\$	Number of shares	Grant date	% vested in period	% forfeited in period	Vesting date
<b>KMP</b>						
Michael Fennell	5,000	50,000	04/02/2019	-	100%	05/02/2021

Vesting conditions were not met, as a result the shares were not issued.

## SenterpriSYS Limited

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# Directors' Report

## For the Year Ended 30 June 2021

### 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 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 2021 has been received and can be found on page 12 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: 8 September 2021

**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 year ended 30 June 2021 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.

*William Buck*

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

*J. C. Luckins*

**J. C. Luckins**  
Director

Melbourne, 8 September 2021

**ACCOUNTANTS & ADVISORS**

Level 20, 181 William Street  
Melbourne VIC 3000  
Telephone: +61 3 9824 8555  
[williambuck.com](http://williambuck.com)

## SenterpriSYS Limited

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### Directors' Declaration For the Year Ended 30 June 2021

*The directors of the Company declare that:*

1. *the financial statements and notes for the year ended 30 June 2021 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 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. *the Chief Executive Officer has given the declarations required by Section 295A that:*
  - a. *the financial records of the Company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;*
  - b. *the financial statements and notes for the financial year comply with the Accounting Standards; and*
  - c. *the financial statements and notes for the financial year give a true and fair view.*
3. *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  
Executive Chairman

Dated: 8 September 2021

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue	2	1,015,169	709,979
Other income	2	100,000	22
Employee benefits expense		(454,757)	(243,618)
Depreciation and amortisation expense		(89,770)	(23,234)
Director fees		(40,000)	(40,000)
Professional fees		(132,541)	(115,572)
Information, communication and technology costs		(43,038)	(55,572)
Rent		(25,289)	(24,614)
Other operating expenses		(41,334)	(71,215)
<b>Profit before income tax</b>		<b>288,440</b>	136,176
Income tax benefit / (expense)	3	(22)	6,702
<b>Profit for the year</b>		<b>288,418</b>	142,878
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		<b>288,418</b>	142,878

### Earnings per share

Basic earnings per share	0.004 cents	0.002 cents
Diluted earnings per share	0.004 cents	0.002 cents

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



## SenterpriSYS Limited

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### Consolidated Statement of Financial Position As At 30 June 2021

	Note	2021 \$	2020 \$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents		352,947	65,599
Trade and other receivables	6	56,230	30,989
<b>TOTAL CURRENT ASSETS</b>		<b>409,177</b>	<b>96,588</b>
NON-CURRENT ASSETS			
Property, plant and equipment	7	30,887	66,362
Deferred tax assets	5	88,075	88,097
Intangible assets	8	4,289,311	3,786,097
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,408,273</b>	<b>3,940,556</b>
<b>TOTAL ASSETS</b>		<b>4,817,450</b>	<b>4,037,144</b>
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade and other payables	9	50,478	266,986
Provisions	10	146,446	139,648
Unearned Income	11	9	9
<b>TOTAL CURRENT LIABILITIES</b>		<b>196,933</b>	<b>406,643</b>
NON-CURRENT LIABILITIES			
Provisions	10	47,607	42,780
Borrowings	12	606,345	615,000
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>653,952</b>	<b>657,780</b>
<b>TOTAL LIABILITIES</b>		<b>850,885</b>	<b>1,064,423</b>
<b>NET ASSETS</b>		<b>3,966,565</b>	<b>2,972,721</b>
<b>EQUITY</b>			
Issued capital	13	3,714,817	3,009,391
Retained earnings		251,748	(36,670)
<b>TOTAL EQUITY</b>		<b>3,966,565</b>	<b>2,972,721</b>

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

## SenterpriSYS Limited

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### Consolidated Statement of Changes in Equity For the Year Ended 30 June 2021

2021

	Ordinary Shares	Accumulated Losses	Total
Note	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>3,009,391</b>	<b>(36,670)</b>	<b>2,972,721</b>
Profit (Loss) for the year	-	288,418	288,418
<b>Transactions with owners in their capacity as owners</b>			
Shares issued during the year	705,426	-	705,426
<b>Balance at 30 June 2021</b>	<b>3,714,817</b>	<b>251,748</b>	<b>3,966,565</b>

2020

	Ordinary Shares	Accumulated Losses	Total
Note	\$	\$	\$
<b>Balance at 1 July 2019</b>	<b>3,009,391</b>	<b>(179,548)</b>	<b>2,829,843</b>
Profit (Loss) for the year	-	142,878	142,878
<b>Transactions with owners in their capacity as owners</b>			
<b>Balance at 30 June 2020</b>	<b>3,009,391</b>	<b>(36,670)</b>	<b>2,972,721</b>

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

## SenterpriSYS Limited

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### Consolidated Statement of Cash Flows For the Year Ended 30 June 2021

	2021	2020
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers (including GST)	1,158,314	751,422
Payments to suppliers and employees (including GST)	(1,010,368)	(336,662)
Interest received	140	356
Net cash provided by/(used in) operating activities	14	148,086
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of plant and equipment	-	14,230
Capitalised software development costs	(557,509)	(1,060,789)
Purchase of property, plant and equipment	-	(11,838)
Net cash provided by/(used in) investing activities	(557,509)	(1,058,397)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from issue of shares	705,426	-
Proceeds from / (repayment) of borrowings	(8,655)	615,000
Net cash provided by/(used in) financing activities	696,771	615,000
Net increase/(decrease) in cash and cash equivalents held	287,348	(28,281)
Cash and cash equivalents at beginning of year	65,599	93,880
Cash and cash equivalents at end of financial year	352,947	65,599

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

## Summary of Significant Accounting Policies For the Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (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 significant accounting policies 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. Input additional text here.

#### (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 16 to the financial statements.

#### (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 2021 the consolidated entity earned a net profit of \$288,418 (2020: profit \$142,878). Net cash inflows from operating activities for the current year totalled \$148,086 (2020: \$415,116). As at 30 June 2021 the consolidated entity had net tangible liabilities of \$410,821 (2020: net tangible liabilities of \$901,473).

The Group's ability to continue as a going concern is dependent on its ability to reverse the currently occurring operating position after funding software development costs by restructuring operations, increasing sales, and, if necessary, obtaining replacement debt or equity funding. Following the recent capital raising, the Group has sufficient working capital to meet its obligations for the next 18 months. In addition, Rainrose Pty Ltd, a related party has advanced \$606,345 (2020: \$615,000). Rainrose Pty Ltd has confirmed it will continue to support the Group and advance further funds in 2022 if required and has provided a letter of support to the Company.

## Summary of Significant Accounting Policies For the Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (c) Going concern (continued)

The Group's ability to continue as a going concern is dependent on the on-going support of its creditors and related parties.

#### (d) Economic dependence

SenterpriSYS is dependent on the related parties for the majority of the 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.

#### (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.

#### (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.

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

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Motor Vehicles	28.57%
Plant and Equipment	25 - 50%

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.

## Summary of Significant Accounting Policies For the Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (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.

#### (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. Software assets are amortised over 10 years from the date available for use.

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

#### (i) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the statement of cash flows and are presented within current liabilities on the statement of financial position.

#### (j) Employee benefits

Provision is made for the Group'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 corporate 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.

#### (k) Share based payments

The Group operates an equity settled share-based payment employee share scheme. The fair value of the equity to which employees become entitled is measured at grant date and recognised as an expense immediately with a corresponding increase to an equity account. The fair value of shares is ascertained as the market bid price.

## Summary of Significant Accounting Policies

### For the Year Ended 30 June 2021

#### 1 Summary of Significant Accounting Policies

##### (I) 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 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.

## Summary of Significant Accounting Policies For the Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (m) 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.

#### (n) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

#### (o) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

#### (p) 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.

#### (q) 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.



## Summary of Significant Accounting Policies For the Year Ended 30 June 2021

### 1 Summary of Significant Accounting Policies

#### (r) Earnings per share

The Group presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

#### (s) 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.

#### (t) 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.

## **Summary of Significant Accounting Policies**

### **For the Year Ended 30 June 2021**

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

##### **(t) Critical Accounting Estimates and Judgments**

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.

##### **(u) 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.

# SenterpriSYS Limited

ABN 14 146 845 123

## Notes to the Financial Statements For the Year Ended 30 June 2021

### 2 Revenue and Other Income

#### Revenue

	2021	2020
	\$	\$
Sales revenue		
- Rendering of services	1,015,029	709,623
Other revenue		
- interest received	140	356
<b>Total revenue</b>	<b>1,015,169</b>	<b>709,979</b>

#### Other Income

- other income	100,000	22
<b>Total other income</b>	<b>100,000</b>	<b>22</b>

### 3 Income Tax Expense / (benefit)

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

	2021	2020
	\$	\$
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	22	(6,702)
<b>Income tax expense</b>	<b>22</b>	<b>(6,702)</b>

(b) Reconciliation of income tax to accounting profit:

	2021	2020
	\$	\$
Profit before tax	288,440	136,176
Prima facie tax at 30%	86,532	40,853
- Permanent differences	(13,635)	6,470
- Other items	(72,875)	(54,025)
<b>Income tax expense / (benefit)</b>	<b>22</b>	<b>(6,702)</b>

## SenterpriSYS Limited

ABN 14 146 845 123

### Notes to the Financial Statements For the Year Ended 30 June 2021

#### 4 Dividends

##### Franking account

	2021	2020
	\$	\$
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 Group's future ability to declare dividends.

#### 5 Tax

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

	2021	2020
	\$	\$
Deferred tax assets	88,075	88,097
<b>Net deferred tax assets / (liabilities)</b>	<b>88,075</b>	<b>88,097</b>

##### (b) Deferred Tax Assets

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
<b>Deferred tax assets</b>			
Provisions - employee benefits	45,735	8,993	54,728
Employee benefits	2,274	1,999	4,273
Intangibles	11,170	1,338	12,508
Other	22,216	(5,628)	16,588
<b>Balance at 30 June 2020</b>	<b>81,395</b>	<b>6,702</b>	<b>88,097</b>
Provisions - employee benefits	54,728	3,487	58,215
Employee benefits	4,273	(2,391)	1,882
Intangibles	12,508	(520)	11,988

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2021**

**5 Tax**

(b) Deferred Tax Assets

	Opening Balance	Charged to Income	Closing Balance
	\$	\$	\$
<b>Deferred tax assets</b>			
Other	16,588	(598)	15,990
<b>Balance at 30 June 2021</b>	<b>88,097</b>	<b>(22)</b>	<b>88,075</b>

(c) Unrecognised Deferred Tax Assets

Deferred tax assets have not been recognised in respect of the following:

	2021	2020
	\$	\$
Non-refundable research and development offset	1,577,222	752,367

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therein.

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 6 Trade and Other Receivables

	2021	2020
	\$	\$
CURRENT		
Trade receivables	41,730	16,489
Other receivables	14,500	14,500
<b>Total current trade and other receivables</b>	<b>56,230</b>	<b>30,989</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.

#### 7 Property, plant and equipment

	2021	2020
	\$	\$
<b>Motor vehicles</b>		
At cost	31,680	31,680
Accumulated depreciation	(22,226)	(18,890)
<b>Total motor vehicles</b>	<b>9,454</b>	<b>12,790</b>
<b>Office equipment</b>		
At cost	21,239	21,239
Accumulated depreciation	(14,565)	(12,326)
<b>Total office equipment</b>	<b>6,674</b>	<b>8,913</b>
<b>Computer equipment</b>		
At cost	110,355	110,355
Accumulated depreciation	(95,596)	(65,696)
<b>Total computer equipment</b>	<b>14,759</b>	<b>44,659</b>
<b>Total property, plant and equipment</b>	<b>30,887</b>	<b>66,362</b>

## Notes to the Financial Statements

### For the Year Ended 30 June 2021

#### 7 Property, plant and equipment

##### (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 2021</b>				
Balance at the beginning of year	12,790	8,913	44,659	66,362
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation expense	(3,336)	(2,239)	(29,900)	(35,475)
<b>Balance at the end of the year</b>	<b>9,454</b>	<b>6,674</b>	<b>14,759</b>	<b>30,887</b>

	Motor Vehicles \$	Office Equipment \$	Computer Equipment \$	Total \$
<b>Year ended 30 June 2020</b>				
Balance at the beginning of year	5,455	8,924	77,609	91,988
Additions	8,934	2,904	-	11,838
Disposals	-	-	(14,230)	(14,230)
Depreciation expense	(1,599)	(2,915)	(18,720)	(23,234)
<b>Balance at the end of the year</b>	<b>12,790</b>	<b>8,913</b>	<b>44,659</b>	<b>66,362</b>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2021**

**8 Intangible Assets**

	2021	2020
	\$	\$
Computer software WIP	3,257,704	3,786,097
Computer software	1,085,902	-
Accumulated amortisation and impairment	(54,295)	-
<b>Net carrying value</b>	<b>4,289,311</b>	<b>3,786,097</b>
<b>Total Intangibles</b>	<b>4,289,311</b>	<b>3,786,097</b>

(a) Movements in carrying amounts of intangible assets

	Computer Software \$	Computer Software WIP \$	Total \$
<b>Year ended 30 June 2021</b>			
Balance at the beginning of the year	-	3,786,097	3,786,097
Additions - internally generated WIP	-	557,509	557,509
Transfer between classes	1,085,902	(1,085,902)	-
Amortisation expense	(54,295)	-	(54,295)
<b>Closing value at 30 June 2021</b>	<b>1,031,607</b>	<b>3,257,704</b>	<b>4,289,311</b>

	Computer Software WIP \$	Total \$
<b>Year ended 30 June 2020</b>		
Balance at the beginning of the year	2,725,308	2,725,308
Additions - internally generated WIP	1,060,789	1,060,789
<b>Closing value at 30 June 2020</b>	<b>3,786,097</b>	<b>3,786,097</b>



## SenterpriSYS Limited

ABN 14 146 845 123

### Notes to the Financial Statements For the Year Ended 30 June 2021

#### 9 Trade and Other Payables

	2021	2020
	\$	\$
Current		
Unsecured liabilities		
Trade payables	23,672	134,394
Sundry payables and accrued expenses	26,806	72,066
Other payables	-	60,526
	<u>50,478</u>	<u>266,986</u>

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

	2021	2020
	\$	\$
CURRENT		
Annual leave	97,436	90,638
Long service leave	49,010	49,010
	<u>146,446</u>	<u>139,648</u>
NON-CURRENT		
Long service leave	47,607	42,780
	<u>47,607</u>	<u>42,780</u>

#### 11 Deferred income

	2021	2020
	\$	\$
CURRENT		
Deferred income	9	9
	<u>9</u>	<u>9</u>

#### 12 Borrowings

	2021	2020
	\$	\$
NON-CURRENT		
Borrowings	606,345	615,000
	<u>606,345</u>	<u>615,000</u>

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 2021.

## SenterpriSYS Limited

ABN 14 146 845 123

### Notes to the Financial Statements For the Year Ended 30 June 2021

#### 13 Issued Capital

	2021	2020
	\$	\$
94,056,612 (2020: 71,004,912) Ordinary shares	<u>3,714,817</u>	<u>3,009,391</u>
	<u>3,714,817</u>	<u>3,009,391</u>

##### (a) Ordinary shares

	2021	2020	2021	2020
	No.	No.	\$	\$
At the beginning of the reporting period	<u>71,004,912</u>	71,004,912	3,009,391	3,009,391
Employee share scheme	-	-	-	-
Former Employee shares cancelled	<u>(462,500)</u>	-	-	-
Rights Issue	<u>23,514,200</u>	-	705,426	-
<b>At the end of the reporting period</b>	<u><b>94,056,612</b></u>	71,004,912	<u>3,714,817</u>	<u>3,009,391</u>

##### (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 2021

#### 14 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:

	2021	2020
	\$	\$
Profit / (Loss) after tax for the year	288,418	142,878
Non-cash flows in profit:		
- amortisation	54,295	-
- depreciation	35,475	23,234
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(25,241)	4,596
- (increase)/decrease in deferred tax asset	22	(6,702)
- increase/(decrease) in trade and other payables	(216,508)	221,133
- increase/(decrease) in provisions	11,625	29,977
Cashflows from operations	<u>148,086</u>	<u>415,116</u>

#### 15 Contingencies

In the opinion of the Directors, the Group did not have any contingencies at 30 June 2021 (30 June 2020: None).

#### 16 Interests in Subsidiaries

(a) Composition of the Group

	Principal place of business / Country of Incorporation	Percentage Owned (%)*	Percentage Owned (%)*
		2021	2020
<b>Subsidiaries:</b>			
RR&D Pty Ltd	Brisbane, Australia	100	100

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

This company is dormant for the year ended 30 June 2021 (2020: dormant).

#### 17 Financial Risk Management

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

## **Notes to the Financial Statements**

### **For the Year Ended 30 June 2021**

#### **17 Financial Risk Management**

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

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

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

##### Liquidity risk

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

The Group'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.

Except for borrowings, the Group'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 Group.

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 Group 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 Group 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 2021

#### 18 Related Parties

The Company's main related parties are as follows:

(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

	2021	2020
	\$	\$
<b>AstiVita Limited</b>		
- Sales to Astivita for IT Services and consumables	69,850	37,446
<b>Advance NanoTek Limited</b>		
- Sales to Advance NanoTek for IT Services and consumables	161,229	54,403
<b>Tamawood Limited</b>		
- Sales for IT Services and consumables	1,011,643	617,774

(ii) Purchase of goods and services

	2021	2020
	\$	\$
<b>Tamawood Limited</b>		
- Rental of premises & related occupancy costs	27,817	24,727
- Other administration costs	33,203	22,611
- Purchase of vehicle & insurance	11,193	-
<b>CyberGuardAU Pty Ltd</b>		
- IT web services protection	14,165	22,785
<b>AstiVita Limited</b>		
- Masks	330	-
<b>Advance NanoTek Limited</b>		
- Amazon web services	3,951	-
<b>Winothai Pty Ltd</b>		
- Professional fees	5,115	6,100
<b>G&amp;S Quality Systems Pty Ltd</b>		
- Professional fees	16,828	20,417

## SenterpriSYS Limited

ABN 14 146 845 123

### Notes to the Financial Statements For the Year Ended 30 June 2021

#### 18 Related Parties

(b) Transactions with related parties

(iii) Outstanding balances

	2021	2020
	\$	\$
<b>AstiVita Limited</b>		
- Amounts receivable	9,392	143
<b>Advance NanoTek Limited</b>		
- Amounts receivable	40,543	42,535
- Amounts payable	-	7,186
<b>Tamawood Limited</b>		
- Amounts payable	-	47,167
- Amounts receivable	517	-
<b>CyberGuardAU Pty Ltd</b>		
- Amounts payable	-	5,425

#### 19 Key Management Personnel Remuneration

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

	2021	2020
	\$	\$
Short-term employee benefits	201,940	226,458
Post-employment benefits	14,739	14,798
Long term benefits	2,602	-
	<u>212,483</u>	<u>241,256</u>

#### 20 Auditors' Remuneration

	2021	2020
	\$	\$
Remuneration of the auditor [William Buck (VIC) Pty Ltd], for:		
- auditing the financial statements	15,000	15,000
	<u>15,000</u>	<u>15,000</u>

## SenterpriSYS Limited

ABN 14 146 845 123

# Notes to the Financial Statements

## For the Year Ended 30 June 2021

### 21 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.

### 22 Company Details

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

SenterpriSYS Limited

15 Suscatand Street

Rocklea, QLD 4106

### 23 Earnings per Share

(a) Earnings used to calculate overall earnings per share

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Profit attributable to members of parent entity used in calculation of basic and diluted EPS	<b>288,418</b>	142,878

(b) Weighted average number of shares used

	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	<b>74,430,970</b>	71,004,912

## SenterpriSYS Limited

Independent auditor's report to members

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of SenterpriSYS Limited (the Group) and its subsidiaries (the Group)), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion, the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

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 and 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 confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### ACCOUNTANTS & ADVISORS

Level 20, 181 William Street  
Melbourne VIC 3000

Telephone: +61 3 9824 8555

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



## Material Uncertainty Related to Going Concern

We draw attention to Note 1(c) in the financial report, which indicates that the Group's tangible liabilities exceeded its tangible assets by \$410,821. 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.

RELATED PARTY TRANSACTIONS	
Area of focus Refer also to Remuneration report on page 5 to 9 and Notes 1 (c) and Note 18	How our audit addressed it
<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>Our audit procedures included:</p> <ul style="list-style-type: none"> <li>— Assessment of the Group's controls to identify and disclose related party transactions 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> <p>For each class of related party transaction, we compared the financial statement disclosures against the underlying transactions and the accounting and <i>Corporations Act 2001</i> requirements</p>

CARRYING VALUE OF INTANGIBLES	
Area of focus	How our audit addressed it
<b>Note 1(h), note 1(t) and Note 8</b>	
<p>The Group continued to invest in the software development of its small enterprise management systems for the housing industry and subcontractors and capitalised \$557,509 for the year ended 30 June 2021.</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>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 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 and assessing the extent of impairment of intangible assets.</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 in the Group's annual report for the year ended 30 June 2021 but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and 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 Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In 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 has 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 these financial statements is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar2.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar2.pdf)

This description forms part of our independent auditor's report.

## **Report on the Remuneration Report**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of SenterpriSYS Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

The directors of the Group 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



**J. C. Luckins**

Director

Melbourne, 8 September 2021

## SenterpriSYS Limited

ABN 14 146 845 123

## Shareholder Information

### For the Year Ended 30 June 2021

#### 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 26 August 2021.

#### 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	1,887	454,538
1,001 - 5,000	855	2,120,568
5,001 - 10,000	180	1,276,700
10,001 - 100,000	173	4,313,796
100,001 and over	53	85,891,796
	<hr/>	<hr/>
	3,148	94,056,612

## Corporate Governance Statement

### 30 June 2021

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)

## SenterpriSYS Limited

ABN 14 146 845 123

## Shareholder Information For the Year Ended 30 June 2021

### 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	34,174,312	36.33
SKYLEVI PTY LTD	11,183,904	11.89
TAMAWOOD LIMITED	9,619,654	10.23
RAINROSE PTY LTD	6,619,116	7.04
NOWCASTLE PTY LTD	3,925,214	4.17
ANKLA PTY LTD	3,065,491	3.26
ANDREW THOMAS	1,915,498	2.04
MR MICHAEL WILLIAM FENNELL + MRS TANIA MAREE FENNELL <FENNELL FAMILY A/C>	1,550,001	1.65
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
MUTUAL TRUST PTY LTD	525,819	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>79,557,190</b>	<b>84.58</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 Computershare Investor Services Pty Limited.

Level 1, 200 Mary Street

Brisbane QLD 4000

Phone: 1300 850 505

Overseas Callers: 61 3 9415 4000