

# Spectur Limited

## Appendix 4E



### Preliminary Final Report - For the year ended 30 June 2022

(Previous corresponding period: Year ended 30 June 2021)

#### Results for announcement to the market

Spectur Limited	Year ended 30 June 2022 \$	Year ended 30 June 2021 \$	% Change
Revenue from ordinary activities	5,828,024	5,248,882	11%
Loss from ordinary activities after tax	(1,908,779)	(1,755,415)	(8.74)%
Net Loss for the period attributable to shareholders	(1,908,779)	(1,755,415)	(8.74)%
Adjusted EBITDA from continuing operations <sup>1</sup>	(1,485,343)	(1,736,321)	15%

<sup>1</sup> Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation, one off income / expenses (including COVID-19 relief) and share-based payments. This is an unaudited non-IFRS measure.

Commentary on the results for the year can be found in the Review of Operations and Activities of the accompanying Preliminary Final Report on pages 2 to 5.

NTA Backing	30 June 2022	30 June 2021
Net tangible asset backing per ordinary share	0.26 cents / share	1.82 cents / share

Commentary on the above figures is included in the attached Preliminary Final Report for the year ended 30 June 2022.

- 1. Statement of Profit and Loss and other comprehensive income**  
Refer to attached preliminary final report page 6.
- 2. Statement of financial position**  
Refer to attached preliminary final report page 7.
- 3. Statement of cash flows**  
Refer to attached preliminary final report page 9.
- 4. Statement of changes in equity / retained earnings**  
Refer to attached preliminary final report page 8.
- 5. Dividend payments**  
Refer to attached preliminary final report.  
The Company does not propose to pay any dividends in the current year.

This Appendix 4E Annual Report is provided to the ASX under Listing Rule 4.3 and should be read in conjunction with the accompanying preliminary final report for the year ended 30 June 2022.

**6. Dividend reinvestment plans**

The Company does not have a dividend reinvestment plan.

**7. Net tangible assets per security**

	Current Year (30 June 2022)	Previous Corresponding Year (30 June 2021)
Net Tangible Assets per ordinary share	1.82 cents	2.58 cents

**8. Details of entities over which control has been gained or lost**

Not applicable

**9. Details of Associates and joint ventures**

Not applicable

**10. Other significant information**

Not applicable

**11. Foreign entities – Accounting Standards**

Not applicable.

**12. Results for the period**

Refer to the review of operations and activities in the attached preliminary final report page 2.

**13. Status of audit**

The preliminary final report is based on financial statements that are in the process of being audited.

This Appendix 4E and Accompanying Preliminary Final Report has been authorised for release by the Board of Spectur Limited



# **Spectur Limited**

ACN 140 151 579

## **Preliminary Final Report 30 June 2022**

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# Review of Operations and Activities

## For the year ended 30 June 2022

Spectur Limited is pleased to announce its financial results for the year ended 30 June 2022.

### Operating and Financial Review

#### Overall Performance

FY22 was a year which demonstrated the resilience of our business against a wide set of external challenges which we outline in this report. The Board is delighted to report continued sales and revenue growth in a challenging environment with sales momentum picking up significantly in the latter months of the year.

#### Market Conditions

Market conditions in H2 FY22 were substantially different than those in H1 FY22, with material impacts related to:

- Ukraine-Russia conflict
- A change of Federal government
- Rapidly rising interest rates and an increasingly inflationary environment
- A decline in the overall performance of the share market
- Further tightening in an already restricted labour market
- The introduction of COVID-19, via the Omicron variant, into the largest Spectur market at this time, Western Australia
- Ultimately, the lowering of restrictions related to lockdowns, masking and vaccination along with greater freedom of travel.

The former factors combined to create some uncertainty and delay in purchasing, compared to renting Spectur solutions, which was most prevalent in Q4 FY22. The latter factors created some restraint in Q3 FY22, mostly in Western Australia.

These restrictive market factors have now either declined, passed or been accepted by the market. The reduced availability of construction materials due to supply chain issues is leading to an increase in theft which, along with the removal of restrictions on liberty, is leading to a general increase in crimes against property in our sectors. These factors drive demand for the security solutions that Spectur provides.

An overall increase in market sensitivity to risk has led to ongoing demand for safety and warning solutions, that resulted in additional sales and a growing pipeline of beach warning systems. This is expected to increase as summer months approach.

#### Revenue from Operations

For FY22 Spectur reported revenue of \$5.83 million, up 11% on FY21 of \$5.25 million and up 21% on FY20 of \$4.80 million. Given the market headwinds described above, this performance was exceptional. Noting that the government restrictions related to COVID have declined, federal elections have passed, and the market and economy are adjusting to inflation, interest rates, labour restrictions and even European conflict, market restraints are expected to lessen in FY23.

Comparing FY22 in more detail with FY21 provides additional insights to the trends across the four key revenue streams within Spectur:

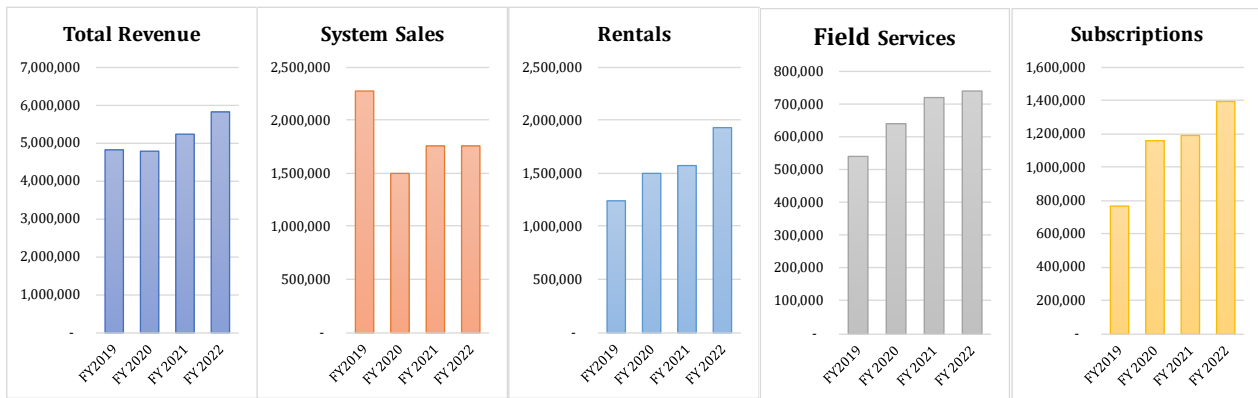
Revenue	FY22 \$'000	FY21 \$'000	% Increase
System Sales	1,757	1,762	0%
Field Services	742	721	3%
Subscriptions	1,397	1,188	18%
Rentals	1,932	1,578	22%
<b>Total</b>	<b>5,828</b>	<b>5,249</b>	<b>11%</b>

Up until Q3 FY22, systems sales results were 26% up on Q3 FY21 YTD results. The relatively flat full year System Sales performance can largely be related to a comparison between System Sales in Q4 FY22 (\$342k) and Q4 FY21 (\$909k). In Q4 FY21 the very large sales with Optus and Surf Life Saving underpinned a record quarter of performance. Coincidentally, eastern states were coming out of lockdown and there was no sign of the Delta variant (or Omicron). This is contrasted with Q4 FY22 where the effects of COVID Omicron in WA, government elections (and delays to purchasing), Ukraine conflict and rapidly increasing inflation and interest rates were most impactful.

# Review of Operations and Activities

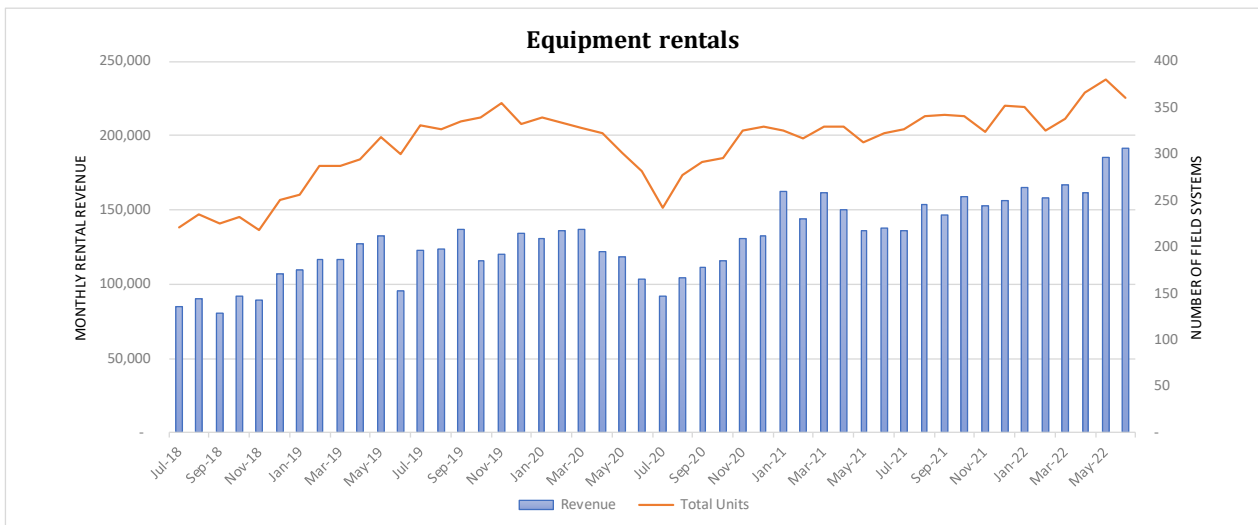
## For the year ended 30 June 2022

Currently there are more than 2,500 camera sensors active within the Spectur ecosystem, each requiring Spectur software services and, pending requirements for relocation or maintenance, field services.



The charts above show the ongoing strong growth of Spectur's recurring revenue streams (Rentals and Subscription). This growth in recurring revenue is due to the incremental size of the fleet and the increasing value of the items in that fleet. Nearly a third of all rentals in the deployed Spectur fleet are now STA6 models having up to four cameras, edge AI and other higher value features. Similarly, the subscription portions allocated to the higher value STA6 models are also providing additional revenue growth.

The chart below of equipment rental revenue and units deployed also demonstrates stronger growth in revenue than pure number of units, also consistent with an increase in average rental value per unit.

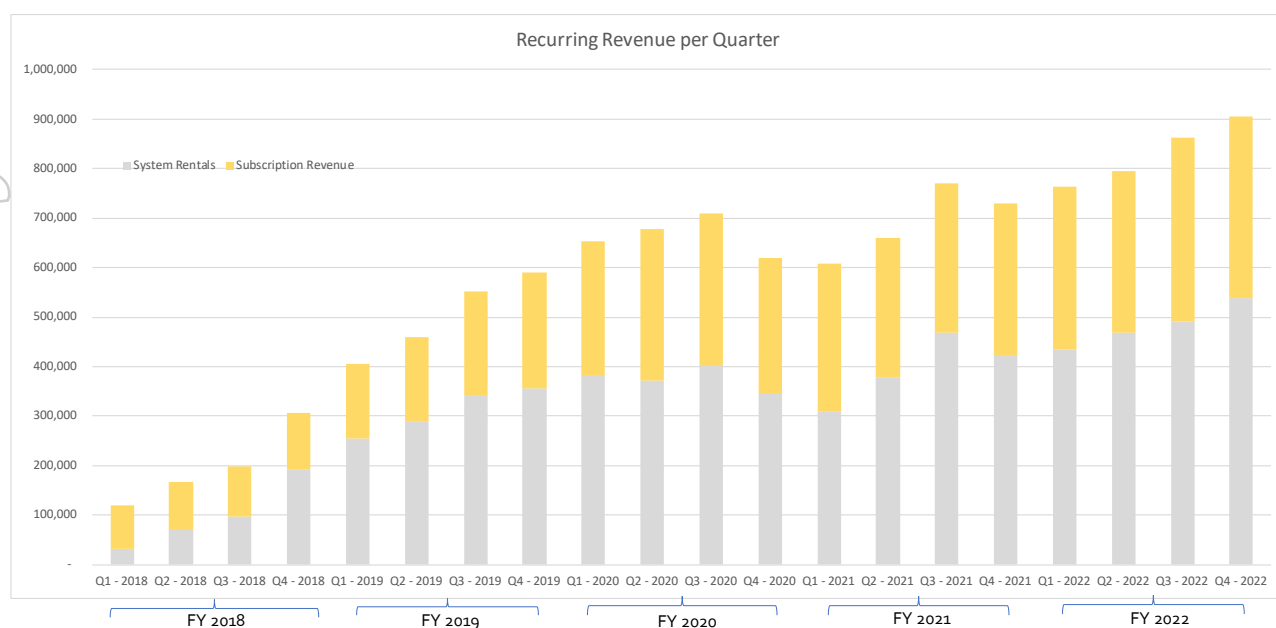


The Spectur sales pipeline includes a number of larger sales opportunities. Many of these were delayed during Q4 FY22 and are shifting to, or converting, in Q1 FY23. It is expected that a return to strong growth in sales of systems will occur in H1 FY23.

Annualised subscription run rates based on June 2022 deployments, which include data plan, server access and monitoring services, are approximately \$1.5 million per annum. Annualised rental run rates, based on June 2022 deployments are approximately \$2.3 million per annum. Annual recurring revenue (ARR) for FY22 was \$3.33 million, with ARR based on the June 2022 run rate of \$3.8 million per annum.

# Review of Operations and Activities

## For the year ended 30 June 2022



The Table below demonstrates ongoing cost control and improvement in overhead expenses within Spectur.

### Expense performance

Expense	FY22 \$'000	FY21 \$'000	% Increase
Finance charges	87	17	412%
Employee and Admin	4,433	4,467	-1%
Share-based payments	124	167	-26%
Other expenses	827	926	-11%
<b>Total</b>	<b>5,472</b>	<b>5,577</b>	<b>-2%</b>

Notwithstanding that finance charges have increased, largely in relation to the EGP credit facility, it is notable that overall expenses have still reduced for FY22, in a very inflationary environment.

Challenges with the supply chain and rapid increases in input costs have placed some pressure on gross margins, which have declined from 60% to 55%. The primary sources of these cost increases have been in material costs, including an increase in sheet metal cost of more than 30% (for example). Secondary costs have related to increases in data and cloud costs. Projects underway are expected to improve margin, including ongoing engineering on the next generation of products (discussed further below), combined with price increases. Regardless of these pressures the adjusted EBITDA improved by 14% - \$1.49m for FY22 compared to \$1.74m for FY21. (Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation, one off income / expenses (including COVID-19 relief) and share-based payments)

### Debt facility utilised

Spectur obtained a \$1.5m debt facility from our largest shareholder EGP Capital, in H2, FY21. This facility was drawn down by \$700k in FY22. At the 30 June 2022 balance date, combined debt and cash facilities of \$1.4m remained available.

### Technology advances

Spectur mitigated componentry shortages of key Spectur technology, directly impacted by supply chain issues, through re-design and ongoing improvement by our in-house electronics and software engineers. These efforts did detract from advancing the Company's research and development plans, however the priority was to ensure that Spectur maintained continuity of revenue-linked supply throughout the period.

Spectur also invested in additional inventory and key componentry, to manage these supply chain challenges which are expected to continue into 2023.

In addition to supporting existing technology, Spectur completed initial designs and moved to prototype development of our modular power platform, including key considerations of industrial design. This solution combines solar power

# Review of Operations and Activities

## For the year ended 30 June 2022

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generation, power storage, power management and telemetry in an integrated module, suitable for use by multiple Spectur and external platforms.

The modular power development also brings the transition to lithium battery solutions, away from commonly used lead-acid batteries. These lithium batteries, which were deployed in select trial locations late in FY22, bring increased product life, lighter weight, and improved power charging and performance. Transition to this type of solution allows a material change in form factor for Spectur solutions as well as allowing substantially improved reliability, reduced cost of maintenance and improved margins

Modularity underpins the longer term Spectur hardware and software architecture, to enable interchangeability with internal and 3rd party technology allowing a rapid and reliable response to customer needs.

To further enhance modularity for customers, concepts for the STA7 and intermediate STA6s were developed and key electronics hardware and firmware advanced. This evolution of the STA6 to the mid-life STA6s and ultimately the STA7 will allow for easier external and third-party camera integration as well as simplifying production and maintenance. The STA7 platform is designed to suit simpler assembly and setup by third parties, allowing for extended reseller channels and the potential for online sales to be realised. This platform is also designed to suit outsourced and offshore manufacture, of non-core components.

### Sales and Marketing growth

Spectur continues to build on the sales and marketing strategies deployed over the last three years. Combining an in-house sales team for outbound sales, account management and conversion of marketing-led inbound leads has underpinned ongoing growth in otherwise difficult markets.

At the end of FY22, Spectur's unweighted pipeline of sales was \$8.35m (exceeding \$10m in Q1 FY23), with a probability weighted pipeline of \$3.35m (exceeding \$3.5m in Q1 FY23). This compares with \$4.65m (unweighted) and \$1.81m (weighted) at the end of FY21. This 80% growth in unweighted and 85% growth in weighted pipeline using the same measurement methodology bodes well for growth into Q1 FY23 and beyond.

Larger "live" opportunities include major utilities, larger construction alliances, local and state government contracts and some international prospects. Whilst revenues continue to be biased towards our core security and surveillance solutions, an increasing volume of high margin, lower competition opportunities in safety and warning solutions are growing in the pipeline and materialising into revenues.

### Enterprise Resource Planning roll out

A core objective for Spectur in FY22 was the commencement and implementation of a new Enterprise Resource Planning (ERP) tool. Spectur is pleased to announce that the roll out of Microsoft Dynamics is nearly complete, with a number of core elements now in operation. This integrated platform is replacing multiple manual and less-integrated tools across finance, payroll, manufacturing, service, sales and rental modules to provide a scalable, efficient platform for Spectur's future growth. Ongoing integration of the Spectur technology platform into Dynamics will continue into FY23.

### Spectur New Zealand update

The 51:49 joint venture between Spectur Limited and Deus-Ex in New Zealand commenced 18 months ago in difficult COVID-impacted circumstances. Careful management of costs by both parties enabled the business to continue to operate until late in 2021, when a full time Sales Executive was engaged, substantially building the pipeline of work and revenues into the organisation. Ongoing investments in business infrastructure that are expected to continue into FY23 will underpin the long-term presence and success of Spectur in New Zealand, as well as forming an extremely useful platform for pre-testing elements of a more challenging USA entry strategy planned for the future.

### Future Updates

We intend to provide regular updates to shareholders throughout FY23. To stay up to date on company news and announcements, [register your details](https://spectur.investorportal.com.au/stay-up-to-date/) on the Spectur investor portal at <https://spectur.investorportal.com.au/stay-up-to-date/>.



## Statement of Profit or Loss and Other Comprehensive Income For the year ended 30 June 2022

	Notes	30 June 2022 \$	30 June 2021 \$
<b>Continuing Operations</b>			
Revenue	2	5,828,024	5,248,882
Cost of Sales		(2,624,964)	(2,108,881)
Gross profit		3,203,060	3,140,001
COVID-19 Relief		-	393,989
Depreciation and amortisation		(320,908)	(317,198)
Employee benefits		(3,311,931)	(3,573,765)
Finance charges	3	(87,735)	(16,528)
General and administrative expenses		(1,121,171)	(935,555)
Impairment of intangible assets		-	(12,640)
Interest income		-	1,646
Inventories written back / (off)		13,994	4,919
Loss on disposal of property, plant and equipment		(6,185)	(1,674)
Marketing and advertising		(267,180)	(310,567)
Property expenses		(44,186)	(107,757)
Research and development expenses		(163,571)	(182,477)
Share of associate's loss	10	(38,570)	-
Share-based payment expense		(124,482)	(167,342)
<b>Loss before income tax benefit</b>		<b>(2,268,865)</b>	<b>(2,084,948)</b>
Income tax benefit	4	360,086	329,533
<b>Loss for the period</b>		<b>(1,908,779)</b>	<b>(1,755,415)</b>
Other comprehensive loss for the period		-	-
<b>Total comprehensive loss for the period</b>		<b>(1,908,779)</b>	<b>(1,755,415)</b>
<b>Basic loss per share (cents per share)</b>	6	<b>(1.80)</b>	<b>(1.70)</b>

The accompanying notes form part of these financial statements.

# Statement of Financial Position

## As at 30 June 2022

	Notes	30 June 2022	30 June 2021
		\$	\$
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		629,613	1,688,712
Trade and other receivables	7	1,322,964	1,216,935
Inventories		649,465	774,913
<b>Total Current Assets</b>		<b>2,602,042</b>	<b>3,680,560</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	8	470,095	541,521
Other receivables	9	165,668	77,771
Investment in associate	10	-	9,985
Intangible assets	11	96,112	179,589
Right-of-use-assets		273,806	320,288
<b>Total Non-Current Assets</b>		<b>1,005,681</b>	<b>1,129,155</b>
<b>Total Assets</b>		<b>3,607,723</b>	<b>4,809,716</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and other payables	12	1,326,911	1,340,866
Employee benefits		440,602	463,529
Borrowings	13	8,584	60,513
Lease liability		166,728	158,310
Provisions		114,300	114,299
<b>Total Current Liabilities</b>		<b>2,057,125</b>	<b>2,137,517</b>
<b>Non-Current Liabilities</b>			
Borrowings	13	755,700	-
Lease liability		117,746	169,453
Employee benefits		33,789	67,324
<b>Total Non-Current Liabilities</b>		<b>907,235</b>	<b>236,777</b>
<b>Total Liabilities</b>		<b>2,964,360</b>	<b>2,374,294</b>
<b>Net Assets</b>		<b>643,363</b>	<b>2,435,422</b>
<b>Equity</b>			
Issued capital	5	12,565,412	12,573,174
Reserves		266,130	177,772
Accumulated losses		(12,188,179)	(10,315,524)
<b>Net Equity</b>		<b>643,363</b>	<b>2,435,422</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity For the year ended 30 June 2022

	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>12,573,174</b>	<b>177,772</b>	<b>(10,315,524)</b>	<b>2,435,422</b>
Loss for the period	-	-	(1,908,779)	(1,908,779)
<b>Total Comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(1,908,779)</b>	<b>(1,908,779)</b>
Share issue costs	(7,762)	-	-	(7,762)
Value of expired performance rights transferred to accumulated losses	-	(36,124)	36,124	-
Value of options brought to account during the period	-	106,372	-	106,372
Value of performance rights brought to account during the period	-	18,110	-	18,110
<b>Balance as at 30 June 2022</b>	<b>12,565,412</b>	<b>266,130</b>	<b>(12,188,179)</b>	<b>643,363</b>

	Issued Capital	Reserves	Accumulated Losses	Total Equity
	\$	\$	\$	\$
<b>Balance at 1 July 2020</b>	<b>11,084,845</b>	<b>504,479</b>	<b>(9,054,158)</b>	<b>2,535,166</b>
Loss for the period	-	-	(1,755,415)	(1,755,415)
<b>Total Comprehensive loss for the period</b>	<b>-</b>	<b>-</b>	<b>(1,755,415)</b>	<b>(1,755,415)</b>
Shares issued during the period (net of costs)	1,537,322	-	-	1,537,322
Share issue costs	(48,993)	-	-	(48,993)
Value of expired options transferred to accumulated losses	-	(494,049)	494,049	-
Options issued during the year	-	151,396	-	151,396
Value of performance rights brought to account during the period	-	15,946	-	15,946
<b>Balance as at 30 June 2021</b>	<b>12,573,174</b>	<b>177,772</b>	<b>(10,315,524)</b>	<b>2,435,422</b>

The accompanying notes form part of these financial statements.

# Statement of Cash Flows

## For the year ended 30 June 2022

	30 June 2022	30 June 2021
	\$	\$
<b>Cash flows from operating activities</b>		
Receipts from customers	6,526,655	5,408,095
Payments to suppliers and employees	(8,149,185)	(7,162,964)
Interest received	-	1,734
Interest paid and other finance costs	(82,209)	(16,527)
COVID 19 relief	-	531,673
R & D tax incentives received	301,450	274,185
<b>Net cash used in operating activities</b>	<b>(1,403,289)</b>	<b>(963,804)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	22,625	-
Payments to acquire investments	-	(9,985)
Payments for loans to joint venture	-	(7,489)
Purchase of property, plant and equipment	(213,352)	(281,478)
<b>Net cash used in investing activities</b>	<b>(190,727)</b>	<b>(298,952)</b>
<b>Cash flow from financing activities</b>		
Proceeds from issue and subscription of shares	-	1,512,661
Payments for share issue costs	(7,762)	(48,993)
Repayment of lease liabilities	(157,370)	(111,738)
Proceeds from borrowings	769,634	-
Repayment of borrowings	(69,585)	(32,975)
<b>Net cash from financing activities</b>	<b>534,917</b>	<b>1,318,955</b>
Net (decrease) / increase in cash and cash equivalents held	(1,059,099)	56,199
Cash and cash equivalents at the beginning of the year	1,688,712	1,632,513
<b>Cash and cash equivalents at the end of the year</b>	<b>629,613</b>	<b>1,688,712</b>

The accompanying notes form part of these financial statements.

## Note 1: Basis of Preparation

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The preliminary final report have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial statements comprise the preliminary final report for the Company. For the purposes of preparing the financial statements, the Company is a for-profit entity.

The preliminary final report does not include full disclosures of the type normally included in the full financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as the full financial report. It is recommended the preliminary final report be considered together with any public announcements made by Spectur Limited in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding half year, except for the impact of the new Standards and Interpretations described in (b) below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The financial statements have been prepared on a historical cost basis, except for the revaluation of selected non-current assets, financial assets and financial liabilities. Historical cost is based on the fair values of the consideration given in exchange for assets, goods and services.

The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

### (a) Statement of Compliance

The preliminary final report was authorised for issue on 31 August 2022.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

### (b) Adoption of New and Revised Standards

#### *New Standards and Interpretations applicable for the half year ended 30 June 2022*

For the year ended 30 June 2022, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period. As a result of this review the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Company, and therefore no change is necessary to accounting policies.

#### *New Standards and Interpretations in issue not yet adopted*

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2022. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to accounting policies.

### (c) Going concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Spectur Limited has successfully completed its Security Purchase Plan Offer and Shortfall Offer (SPP Offer), raising \$1,150,000. This was preceded by a successful placement of \$1,862,416 in July 2022 which brought the total raise to \$3,012,416. Spectur Limited is holding a general meeting on 7 September 2022 to seek approvals to issue the Shares and Bonus Options under the Placement and SPP Offer. This raise further underpins the Directors opinion that Spectur Limited will be able to continue to operate as a going concern.

### (d) Investment in associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method. The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Company's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Company.

## Note 1: Basis of Preparation

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### (d) Investment in associates and joint ventures (continued)

Unrealised gains and losses on transactions between the Company and its associates and joint ventures are eliminated to the extent of the Company's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

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## Other Notes to the Financial Statements

### Note 1: Segment Reporting

The Company's operating segments have been determined with reference to the monthly management accounts used by the Chief Operating Decision Maker to make decisions regarding the Company's operations and allocation of working capital. Due to the size and nature of the Company, the MD has been determined as the Chief Operating Decision Maker.

Based on the quantitative thresholds included in AASB 8, there is only one reportable segment, being development, manufacture and selling of Remote Solar 3G/4G based deterrence, surveillance and warning systems, and associated products and services.

The revenues and results of this segment are those of the Company as a whole and are set out in the Statement of Profit or Loss and Other Comprehensive Income and the assets and liabilities of the Company as a whole are set out in the Statement of Financial Position.

### Note 2: Revenue from Contracts with Customers

#### *Disaggregation of revenue*

AASB 134 requires an entity to disclose a disaggregation of revenue from contracts with customers required by paragraphs 114-115 of AASB 15. The Company has elected to disaggregate revenue according to the timing of the transfer of goods and/or services.

The Company derives its revenue from the sale of goods and the provision of services at a point in time and over time in the following major categories.

	30 June 2022	30 June 2021
	\$	\$
<b>At a point in time</b>		
Equipment sales	1,757,358	1,762,276
Field services	734,910	701,503
	<b>2,492,268</b>	<b>2,463,779</b>
<b>Over time</b>		
Equipment rentals	1,931,961	1,578,006
Subscription revenue	1,403,795	1,207,097
	<b>3,335,756</b>	<b>2,785,103</b>
<b>Total revenue</b>	<b>5,828,024</b>	<b>5,248,882</b>

### Note 3: Finance charges

	30 June 2022	30 June 2021
	\$	\$
Interest and finance charges paid/payable on borrowings	(72,401)	(4,425)
Interest and finance charges paid/payable on lease liabilities	(15,334)	(12,103)
	<b>(87,735)</b>	<b>(16,528)</b>

## Other Notes to the Financial Statements

### Note 4: Income tax benefit

	30 June 2022	30 June 2021
	\$	\$
FY 2021/FY2020 R&D Grant received <sup>(i)</sup>	81,167	109,250
R&D Grant accrued <sup>(ii)</sup>	278,919	220,283
	<b>360,086</b>	<b>329,533</b>

- (i) This is the grant received in excess of the accrual  
(ii) From FY 2022 Spectur Ltd is accruing for the grant monthly based on YTD R&D activity.

### Note 5: Issued Capital

	30 June 2022	30 June 2021
	\$	\$
Ordinary shares issued and fully paid	<b>12,565,412</b>	<b>12,573,174</b>

#### Movement in ordinary shares on issue

	Year to 30 June 2022		Year to 30 June 2021	
	Number	\$	Number	\$
Balance at beginning of period	106,305,280	12,573,174	75,633,065	11,084,845
Issue of Shares in lieu of Director fees	-	-	418,988	24,661
Share placement and SPP at \$0.05	-	-	30,253,227	1,512,661
Share issue costs	-	(7,762)	-	(48,993)
<b>Balance at end of the period</b>	<b>106,305,280</b>	<b>12,565,412</b>	<b>106,305,280</b>	<b>12,573,174</b>

### Note 6: Loss per Share

#### Basic loss per share

	30 June 2022	30 June 2021
	Cents per share	Cents per share
Basic loss per share	<b>(1.80)</b>	<b>(1.70)</b>

#### Losses

Losses used in the calculation of basic loss per share is as follows:

	30 June 2022	30 June 2021
	\$	\$
Losses for the year	<b>(1,908,779)</b>	<b>(1,755,415)</b>



## Other Notes to the Financial Statements

### Note 6: Loss per Share (continued)

#### Weighted average number of ordinary shares.

The weighted average number of ordinary shares used in the calculation of basic and diluted loss per share is as follows:

	30 June 2022	30 June 2021
	Number	Number
Weighted average number of ordinary shares for the purpose of basic loss per share	<b>106,305,280</b>	<b>103,464,820</b>

Share options and performance rights are not considered dilutive, as their impact would be to decrease the net loss per share.

### Note 7: Trade and Other receivables (Current Assets)

	30 June 2022	30 June 2021
	\$	\$
Trade receivables <sup>(i)</sup>	997,604	996,481
Allowance for expected credit losses	(31,941)	(30,898)
	965,663	965,583
Prepayments	78,382	30,920
Other	-	149
R&D refund receivable	278,919	220,283
<b>Total</b>	<b>1,322,964</b>	<b>1,216,935</b>

- (i) Trade receivables are non-interest bearing and are generally on terms of 30 days to 60 days. All amounts are short term. The carrying value of trade receivables is considered a reasonable approximation of fair value.

## Other Notes to the Financial Statements

### Note 8: Property, Plant and Equipment

	Camera equipment	Improvements	Plant and equipment	Office equipment	Motor Vehicles	Total
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	362,044	9,492	40,443	42,719	86,823	541,521
Additions	194,323	3,741	7,896	4,454	72,570	282,984
Disposals	-	-	(5,418)	(5,636)	(17,756)	(28,810)
Depreciation charge for the year	(242,878)	(4,444)	(19,006)	(18,479)	(40,793)	(325,600)
<b>Balance at 30 June 2022</b>	<b>313,489</b>	<b>8,789</b>	<b>23,915</b>	<b>23,058</b>	<b>100,844</b>	<b>470,095</b>
Balance at 1 July 2020	388,945	4,761	43,738	60,696	123,708	621,848
Additions	218,101	6,256	12,863	10,938	-	248,158
Disposal	(1,808)	-	-	-	-	(1,808)
Depreciation charge for the year	(243,194)	(1,525)	(16,158)	(28,915)	(36,885)	(326,677)
<b>Balance at 30 June 2021</b>	<b>362,044</b>	<b>9,492</b>	<b>40,443</b>	<b>42,719</b>	<b>86,823</b>	<b>541,521</b>

### Note 9: Other receivables (Non-current Assets)

	30 June 2022	30 June 2021
	\$	\$
Loans to associates <sup>(i)</sup>	39,074	47,657
Deposits – property leases <sup>(ii)</sup>	19,780	30,114
Deposits – customer contracts <sup>(iii)</sup>	106,814	-
<b>Closing balance</b>	<b>165,668</b>	<b>77,771</b>

(i) The loan is non-interest bearing and is repayable at the discretion of Spectur Limited.

(iii) Deposits on property leases a refundable upon termination of the lease agreement.

(iv) The customer contract is for 2 years and commenced on 19 November 2021. The security deposit is refundable at the end of the contract period – 18 November 2023.

### Note 10: Investment in Associate

Name of associate	Country of incorporation and principal place of business	Principal activity	Proportion of ownership interests held by Spectur	
			30 June 2022	June 2021
Spectur New Zealand Pty Ltd	NZ	Provide Spectur security, sensing and visual artificial intelligence products to New Zealand customers.	51%	51%

## Other Notes to the Financial Statements

### Note 10: Investment in Associate (continued)

The investment in Spectur NZ is accounted for using the equity method in accordance with AASB 128. No dividends were received from Spectur NZ during the year ended 30 June 2022. Spectur NZ is a private company; therefore, no quoted market prices are available for its shares.

	30 June 2022	30 June 2021
	\$	\$
<b>Carrying amount of interest in associate</b>	-	<b>9,985</b>
<i>Share of associate's loss</i>		
Share of loss for the period	(38,570)	-
	<b>(38,570)</b>	-

### Note 11: Intangible Assets

	Patents	Product Development	Other Intangibles	Total
	\$	\$	\$	\$
<b>Carrying value</b>				
Cost	38,674	739,339	100,000	878,013
Accumulated amortisation	(20,832)	(588,306)	(86,116)	(695,254)
Impairment	-	(72,763)	(13,884)	(86,647)
<b>Carrying value as at 30 June 2022</b>	<b>17,842</b>	<b>78,270</b>	-	<b>96,112</b>
Cost	38,674	739,339	100,000	878,013
Accumulated amortisation	(15,624)	(510,037)	(86,116)	(611,777)
Impairment	-	(72,763)	(13,884)	(86,647)
<b>Carrying value as at 30 June 2021</b>	<b>23,050</b>	<b>156,539</b>	-	<b>179,589</b>
<b>Reconciliation</b>				
Carrying value as at 1 July 2021	23,050	156,539	-	179,589
Amortisation	(5,208)	(78,269)	-	(83,477)
<b>Carrying value as at 30 June 2022</b>	<b>17,842</b>	<b>78,270</b>	-	<b>96,112</b>
Carrying value as at 1 July 2020	28,528	281,515	-	309,773
Amortisation	(5,208)	(112,336)	-	(117,544)
Impairment	-	(12,640)	-	(12,640)
<b>Carrying value as at 30 June 2021</b>	<b>23,050</b>	<b>156,539</b>	-	<b>179,589</b>

## Other Notes to the Financial Statements

### Note 12: Trade and other payables

	30 June 2022	30 June 2021
	\$	\$
Accounts payable <sup>(i)</sup>	289,946	245,034
Accruals	113,655	166,725
ATO & State Governments	163,888	324,704
Unearned revenue	685,922	558,764
Customer pre-payments	73,500	45,391
Other payables	-	248
<b>Total</b>	<b>1,326,911</b>	<b>1,340,866</b>

(i) Trade payables are non-interest bearing and are normally settled on 30-day terms.

### Note 13: Borrowings and other financial liabilities

	30 June 2022	30 June 2021
	\$	\$
<i>Current loans</i>		
Secured loans	8,584	60,513
<b>Total current loans</b>	<b>8,584</b>	<b>60,513</b>
<i>Non-current loans</i>		
Non-secured loans	700,000	-
Secured loans	55,700	-
<b>Total non-current loans</b>	<b>755,700</b>	<b>-</b>
<b>Total loans</b>	<b>764,284</b>	<b>60,513</b>

#### *Secured Loans*

These loans are secured by Motor Vehicles. The interest rates on these loans are fixed at 3.40% and interest is repayable within a period of 51 months from the reporting date. Total monthly repayments are \$886.

#### *Non-Secured Loans*

This is a \$1.5 million loan facility with EGP Capital. Interest on this loan is 7% on the drawdown amount. There is also a 3% line fee which is payable quarterly in advance until the end of the contract date – 31 December 2023. At balance date the Company had drawn down \$700,000 of this facility. The facility is repayable, at the option of the Company, either in cash or by issuing fully paid Spectur Limited ordinary shares. The number of shares to be issued would be based on a 20% discount to the 30-day Volume Weighted Average Price (VWAP) of Spectur Limited shares as trading on the ASX. The Company has effectively been granted a put option by EGP Capital, which creates a derivative. The Company has calculated this derivative to be an immaterial amount, therefore the liability has been stated at its face value at balance date.