

# **SenterpriSys Limited**

**ABN 14 146 845 123**

## **Interim Financial Statements**

**For the Half Year Ended 31 December 2022**

# **SenterpriSys Limited**

ABN 14 146 845 123

## **Contents**

**For the Half Year Ended 31 December 2022**

	Page
Executive Chairman's Letter	1
Directors' Report	2
Auditor's Independence Declaration under Section 307C of the Corporations Act 2001	3
Interim Statement of Profit or Loss and Other Comprehensive Income	4
Interim Statement of Financial Position	5
Interim Statement of Changes in Equity	6
Interim Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	12
Independent Auditor's Review Report	13

## SenterpriSys Limited

ABN 14 146 845 123

### Executive Chairman's Letter

For the Half Year Ended 31 December 2022

The Company recorded a net loss of \$16,744 (December 2021: loss of \$56,541) for the half year ended December 31, 2022. The Company has a negative working capital position of \$308,112 (30 June 2022: \$215,030).

#### FY23 Outlook

- The Project DeRisk software is now fully operational, notwithstanding a number of issues identified by users as needing attention.
- Additional modules of Project DeRisk are being developed to complement existing software and improve user productivity.
- QANOTIX modules are in a process of being integrated into Project DeRisk to provide organisations with an easy path to certification under ISO9001: 2016 compliant quality assurance system, with relevant QA registers automatically updated.
- Project DeRisk QuickBooks integration is progressing and may enable replacement of some of the modules with standard QuickBooks functions, increasing user productivity and reducing double entry related errors.
- The Board is considering a number of ways in which to monetise the software including developing its own patented home building franchise system.
- Rainrose Pty Ltd has confirmed it will continue to support the Company and advance further funds during FY23 and into the foreseeable future if required and has provided a letter of support to SenterpriSys Limited.
- The final version of QANOTIX will not be ready until FY24.



Lev Mizikovsky  
Executive Chairman

Dated: 16 March 2023

## **Directors' Report**

### **For the Half Year Ended 31 December 2022**

The directors submit the interim financial report of the Group for the half year ended 31 December 2022.

#### **Directors**

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

<b>Names</b>	<b>Position</b>
Lev Mizikovsky	Executive Chairman
Rade Dudurovic	Non-executive Director & Chair of the Audit Committee
Laurie Lefcourt (resigned 16 November 2022)	Non-executive Director
Michael Fennell	Managing Director
<b>Company secretary</b>	
Mr Geoff Acton	(B.Com, ACA, GAICD)
Miss Narelle Lynch	("Cert Gov Prac")

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

The Group achieved an operating loss after tax of \$16,744 for the half year ended 31 December 2022 (31 December 2021: loss of \$56,541). The revenue of \$430,388 was derived from continuing to provide support and maintenance for IT systems of Tamawood Limited, Advance ZincTek Limited and Veganic SKN Limited as well as licensing fees for the use of the Group's software ("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. Please see Executive Chairman's Letter for information.

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

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

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

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

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

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2022 has been received and can be found on page 3 of the interim financial report.

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



Lev Mizikovsky  
Executive Chairman

Dated: 16 March 2023

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2022 there have been:

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



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



**J.C. Luckins**  
Director

Melbourne, 16 March 2023

# Interim Statement of Profit or Loss and Other Comprehensive Income

## For the Half Year Ended 31 December 2022

		31 December 2022	31 December 2021
	Note	\$	\$
Revenue	2	430,338	495,300
Other income	2	2,844	-
Employee benefits expense		(87,119)	(185,068)
Depreciation and amortisation expense		(165,108)	(118,391)
Professional fees		(79,610)	(129,387)
Information, communication and technology costs		(43,461)	(69,774)
Rent		(7,422)	(11,733)
Director fees		(18,667)	(20,000)
Other operating expenses		(27,051)	(23,210)
<b>Profit / (Loss) before income tax</b>		<b>4,744</b>	<b>(62,263)</b>
Income tax benefit / (expense)		(21,488)	5,722
<b>Profit / (Loss) from continuing operations</b>		<b>(16,744)</b>	<b>(56,541)</b>
<b>Profit / (Loss) for the half year</b>		<b>(16,744)</b>	<b>(56,541)</b>
<b>Other comprehensive income, net of income tax</b>			
<b>Total comprehensive income for the year</b>		<b>(16,744)</b>	<b>(56,541)</b>

### Earnings per share

Basic earnings per share	(0.02) cents	(0.06) cents
Diluted earnings per share	(0.02) cents	(0.06) cents

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

**Interim Statement of Financial Position**  
**As At 31 December 2022**

		<b>31 December 2022</b>	<b>30 June 2022</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	13,955	33,114
Trade and other receivables		24,201	42,479
<b>TOTAL CURRENT ASSETS</b>		<b>38,156</b>	<b>75,593</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		14,712	17,435
Deferred tax assets		74,744	96,232
Intangible assets		4,791,740	4,600,946
<b>TOTAL NON-CURRENT ASSETS</b>		<b>4,881,196</b>	<b>4,714,613</b>
<b>TOTAL ASSETS</b>		<b>4,919,352</b>	<b>4,790,206</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		100,721	125,832
Provisions		118,778	164,782
Unearned Income		126,769	9
<b>TOTAL CURRENT LIABILITIES</b>		<b>346,268</b>	<b>290,623</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions		40,260	50,015
Borrowings (Non-Current)		706,345	606,345
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>746,605</b>	<b>656,360</b>
<b>TOTAL LIABILITIES</b>		<b>1,092,873</b>	<b>946,983</b>
<b>NET ASSETS</b>		<b>3,826,479</b>	<b>3,843,223</b>
<b>EQUITY</b>			
Issued capital	4	3,714,817	3,714,817
Retained earnings		111,662	128,406
<b>Total equity attributable to equity holders of the Company</b>		<b>3,826,479</b>	<b>3,843,223</b>
<b>TOTAL EQUITY</b>		<b>3,826,479</b>	<b>3,843,223</b>

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

## Interim Statement of Changes in Equity

For the Half Year Ended 31 December 2022

	Ordinary Shares	Retained Earnings / (Accumulated Losses)	Total
Note	\$	\$	\$
<b>Balance at 1 July 2022</b>	3,714,817	128,406	3,843,223
Total comprehensive income for the half year	-	(16,744)	(16,744)
<b>Balance at 31 December 2022</b>	<b>3,714,817</b>	<b>111,662</b>	<b>3,826,479</b>

	Ordinary Shares	Retained Earnings / (Accumulated Losses)	Total
Note	\$	\$	\$
<b>Balance at 1 July 2021</b>	3,714,817	251,748	3,966,565
Total comprehensive income for the half year	-	(56,541)	(56,541)
<b>Balance at 31 December 2021</b>	<b>3,714,817</b>	<b>195,207</b>	<b>3,910,024</b>

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



## **Interim Statement of Cash Flows**

### **For the Half Year Ended 31 December 2022**

	31 December 2022	31 December 2021
Note	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Receipts from customers (including GST)	601,951	675,933
Payments to suppliers and employees (including GST)	(368,432)	(391,240)
Interest received	502	36
Net cash provided by/(used in) operating activities	<u>234,021</u>	<u>284,729</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property, plant and equipment	-	(6,879)
Capitalised software development costs	(353,180)	(284,521)
Net cash provided by/(used in) investing activities	<u>(353,180)</u>	<u>(291,400)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceed of loans	100,000	-
Net cash provided by/(used in) financing activities	<u>100,000</u>	<u>-</u>
Net increase/(decrease) in cash and cash equivalents held	(19,159)	(6,671)
Cash and cash equivalents at beginning of year	33,114	352,947
Cash and cash equivalents at end of the half year	3 <u>13,955</u>	<u>346,276</u>

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

## Notes to the Financial Statements

### For the Half Year Ended 31 December 2022

#### 1 Summary of Significant Accounting Policies

##### (a) Basic of Preparation

This condensed interim financial report for the half year reporting period ending 31 December 2022 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: Interim Financial Reporting.

The interim financial report is intended to provide users with an update on the latest annual financial statements of SenterpriSys Limited ('SenterpriSys', 'Company' or 'Group'). As such it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. This condensed financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2022, together with any public announcements made during the half year.

##### Accounting Policies

Unless otherwise stated, the same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

##### (b) New 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.

##### (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 half year ended 31 December 2022 the Group incurred a net loss of \$16,744 (31 December 2021: loss of \$56,541). As at 31 December 2022 the Group had net tangible liabilities of \$1,040,005 (30 June 2022: net tangible liabilities of \$853,955) and current liabilities exceeded current assets by \$308,112 (30 June 2022: \$215,030).

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

The Group's ability to continue as a going concern is dependent on its ability to reverse the currently occurring operating position by restructuring operations, increasing sales, and obtaining replacement debt or equity funding. Rainrose Pty Ltd, a related party, has advanced \$706,345 as at 31 December 2022 (30 June 2022: \$606,345). Rainrose Pty Ltd has confirmed it will continue to support the Group and advance further funds in 2023 if required and has provided a letter of support to the Group.

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

## **Notes to the Financial Statements**

### **For the Half Year Ended 31 December 2022**

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

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

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>\$</b>	<b>\$</b>
<b>Sales revenue</b>		
- Rendering of services	<u>429,836</u>	<u>495,264</u>
<b>Other revenue</b>		
- interest received	<u>502</u>	<u>36</u>
<b>Total revenue</b>	<u><u>430,338</u></u>	<u><u>495,300</u></u>
<b>Other income</b>		
- other income	<u>2,844</u>	<u>-</u>
<b>Total other income</b>	<u><u>2,844</u></u>	<u><u>-</u></u>

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

	<b>31 December 2022</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Cash at bank and in hand	<u><u>13,955</u></u>	<u><u>33,114</u></u>

#### **4 Issued Capital**

	<b>31 December 2022</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
94,056,612 (2022: 94,056,612) Ordinary shares	<u><u>3,714,817</u></u>	<u><u>3,714,817</u></u>

#### **5 Contingencies**

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2022 (31 December 2021: None).

#### **6 Operating Segments**

The Group has one operating segment, being support, maintenance and licensing fees for IT systems, and one geographical location, being Australia.

## **Notes to the Financial Statements**

### **For the Half Year Ended 31 December 2022**

#### **7 Related Parties**

The Company's main related parties are as follows:

1. Tamawood Limited and its controlled entities
2. Lev Mizikovsky (Director) and Rainrose Pty Ltd
3. Michael Fennell (Director)
4. Rade Dudurovic (Director)
5. Geoff Acton (Company Secretary) and G&S Quality Systems Pty Ltd
6. Advance ZincTek Limited
7. Veganic SKN Limited
7. CyberguardAU Pty Ltd
8. Winothai Pty Ltd

##### **(a) Key management personnel**

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

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

###### **(i) Sales of goods and services**

	<b>31 December 2022 \$</b>	<b>31 December 2021 \$</b>
<b>Advance ZincTek Limited</b>		
- IT Services	<b>46,578</b>	25,864
<b>Tamawood Limited</b>		
- IT Services	<b>383,258</b>	444,099

## **Notes to the Financial Statements**

### **For the Half Year Ended 31 December 2022**

#### **7 Related Parties**

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

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

	<b>31 December 2022</b>	<b>31 December 2021</b>
	<b>\$</b>	<b>\$</b>
<b>Tamawood Limited</b>		
- Rent on sub-leased property	<b>5,466</b>	11,733
- Insurance fees and other services provided by the Group	-	17,837
- Electricity	-	1,820
<b>CyberGuardAU Pty Ltd</b>		
- Other administration costs	-	27,568
<b>Winothai Pty Ltd</b>		
- Management services	<b>5,200</b>	6,930

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

The interim financial report was authorised for issue on 16 March 2023 by the board of directors.

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

#### **9 Statutory Information**

##### **Registered office**

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

SenterpriSys Limited  
15 Suscatand Street  
Rocklea QLD 4106

## **Directors' Declaration**

The directors of the Company declare that:

1. The interim financial statements and notes, as set out on pages 4 are in accordance with the *Corporations Act 2001*, including:
  - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - (b) give a true and fair view of the consolidated group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Lev Mizikovsky  
Executive Chairman

Dated: 16 March 2023

## SenterpriSys Limited

### Independent auditor's review report

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

### Conclusion

We have reviewed the accompanying half-year financial report of SenterpriSys Limited (the Company) and the entities it controlled at the half-year's end or from time to time during the half year (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half year ended on that date; and
- b. complying with Australian Accounting Standard 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Consolidated entity 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a net loss of \$16,744 (2021: \$56,541) for the half-year ended 31 December 2022 and had a deficiency of net tangible assets at 31 December 2022 of \$1,040,005 (30 June 2022: \$853,955) and current liabilities exceeded current assets by \$308,112 (30 June 2022: \$215,030). As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

## Responsibility of Management for the Financial Report

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

## Auditor's Responsibilities for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



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



**J.C. Luckins**  
Director

Melbourne, 16<sup>th</sup> March 2023