Spectur Limited

Appendix 4E Preliminary Final Report

1. **Reporting period**
   - Year ended 30 June 2017

   Previous corresponding period
   - Year ended 30 June 2016

2. **Results for announcement to the market**

	30 June 2017 Current Year	Percentage Change Up /(Down)	Change Up / (Down)	30 June 2016 Previous Corresponding Year
	$	$	$	$
2(a) Revenue from ordinary activities	1,332,681	42%	397,361	935,320
2(b) Loss from ordinary activities after tax	(426,501)	(537%)	(359,530)	(66,971)
2(c) Net Loss for the year attributable to members	(426,501)	(537%)	(359,530)	(66,971)

2(d) Dividends: The Company does not propose to pay any dividends in the current year.

2(e) Record Date: Not applicable

2(f) See attached Director's Report

3. **Statement of Profit or Loss and Other Comprehensive Income**
   - See attached Annual Report

4. **Statement of Financial Position**
   - See attached Annual Report

5. **Statements of Cash Flows**
   - See attached Annual Report

6. **Statements of Changes in Equity / Statement of Retained Earnings**
   - See attached Annual Report

7. **Dividends**
   - The Company does not propose to pay any dividends in the current year.

8. Dividend reinvestment plan

- The Company does not propose to pay any dividends in the current year and does not have a dividend reinvestment plan.

9. Net tangible assets per security

	Current Year $ 30 June 2017	Previous Corresponding Year $ 30 June 2016
Cents per ordinary share	2.79 cents	1.56 cents

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

- **Control gained over entities:** Not applicable
- **Control lost over entities:** Not applicable

11. Details of Associates / Joint Ventures

- Not applicable

12. Other significant information

- Not applicable

13. Accounting Standards

- **For foreign entities, the set of accounting standards used in compiling the report:** Not applicable

14. Results of the period

- Refer to Director’s Report in attached Annual Report

15. Statement on the financial statements

- Financial Statements are based on audited accounts.

16. Unaudited Accounts

- Not applicable

17. Auditor’s audit report

- **For all entities, if the accounts are subject to audit dispute or qualification, include a description of the dispute or qualification:** Not applicable

Spectur Limited

ACN 140 151 579

Annual Financial Report 30 June 2017

SPECTUR LIMITED

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SPECTUR LIMITED

CORPORATE INFORMATION
ACN 140 151 579

Directors
Mr Charles Richard Wallace Wilkins
Mr Peter William Holton
Mr Stephen Paul Bodeker
Mr Andrew Mark Hagen

Company Secretary
Suzie Jayne Foreman

Registered Address
Unit 2, 6 Merino Entrance
Cockburn Central WA 6164
Telephone: 1300 802 960

Principal place of business
Unit 10, 14 Merino Entrance
Cockburn Central WA 6164
Telephone: 1300 802 960

Solicitors
Jackson McDonald
Level 17, 225 St Georges Terrace
Perth WA 6000

Bankers
ANZ Bank
32 St Quentins Avenue
Claremont WA 6010

ANZ Bank
127/816 Beeliar Drive
Success WA 6164

Auditors
HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000

Share Registry
Automic Registry Services
Level 2, 267 St Georges Terrace
Perth, WA 6000

PO Box 2226
Strawberry Hills, New South Wales 2012
Telephone: 1300 288 664 (within Australia)
Email: hello@automic.com.au

SPECTUR LIMITED

Chairman's Review

Dear Shareholder,

I am pleased to present the Spectur Limited 2017 Annual Financial Report.

I would like to welcome our new shareholders and wish to take this opportunity to thank you for the support you have given as our Company begins implementing its expansion and growth plans

The ASX listing of Spectur on the 1st of August was a huge milestone for our business, an event which was shared by Spectur's key employees. I believe that Spectur is well placed to continue to go from strength to strength, delivering results for its shareholders. The Company's potential is significant. We operate in a large and growing Video Surveillance-as-a-Service market, whose market size in the solar sector is expected to grow globally to over US$2.37 billion by 2020. We intend to capitalize on this trend and expect our Company to emerge as a leader within this designated market niche.

The prospectus broadly outlined our strategic goals: these goals which in the short term are to grow our market share by expanding into all states within Australia. To that objective:

- We have further strengthened the team in our Melbourne office (Sunshine West) with the hiring of a new Sales Co-ordinator. This will assist in fully exploiting sales opportunities across all markets.
- Our premises at Sunshine West will be the headquarters for Eastern States operations, including our R&D centre. We are building a strong team to help us achieve our goals and in the year ahead we expect this momentum to continue.
- We are seeking to acquire or partner with synergistic technology and operating businesses that can assist with growth and profitability. We will also be looking at adding brands to our portfolio that target market segments very specifically.
- We will be targeting overseas markets in the medium term, which will require that we have fully researched the opportunity and tailored our offering accordingly. The groundwork that we are currently doing in terms of establishing systems and sales and marketing strategies is invaluable and will assist us in a more rapid and successful implementation.
- The construction and civil engineering industries offer huge opportunities for growth and we are robustly pursuing these markets. There is also a wealth of opportunities in other market sectors that we are pursuing including, critical infrastructure, mining and local government.
- In addition to security and surveillance, Spectur's Cloud Management platform and newly released hardware allows us to offer innovative and cost effective solutions to a wide range of industries tailored to individual customer needs. These solutions combine our existing camera technology with additional built in and plug in devices. For example, we are working with Metro Rail in Victoria to help them monitor bridge strikes. This takes advantage of the 3-axis accelerometer that is built into our new hardware. We will continue to commercialise new products taking advantage of market opportunities as they arise and we intend to diversify our offering into new areas of activity.

I would like to welcome our two new non-executive directors, Andrew Hagen and Stephen Bodeker, to the Spectur Board. I would also like to take this opportunity to thank our Managing Director, Peter Holton for his vision and tireless commitment towards realizing Spectur's potential as one of the leading providers of Solar, cloud based camera technology.

Chairman's Review (continued)

The mixture of dedication and talents provides us with an excellent forum to plan and execute our forward growth strategies.

On behalf of the board, I am pleased with our progress so far, and I am confident that Spectur's significant growth momentum will continue in the year ahead.

The board looks forward to your continued support.

Sincerely,

Richard Wilkins
Executive Chairman

SPECTUR LIMITED

DIRECTORS' REPORT

The Board of Directors of Spectur Limited present their report on Spectur Limited ("Company" or "Spectur") for the year ended 30 June 2017.

DIRECTORS AND OFFICERS

The names of directors and officers who held office during or since the end of the interim period and until the date of this report are as follows.

Charles Richard Wallace Wilkins	Director	Director since incorporation
Peter William Holton	Director	Appointed on 9 March 2017
Stephen Paul Bodeker	Non-Executive Director	Appointed on 9 June 2017
Andrew Mark Hagen	Non-Executive Director	Appointed on 9 June 2017
Japheth Dela Torre	Non-Executive Director	Appointed on 22 March 2017, resigned on 9 June 2017
	Joint Company Secretary	Appointed on 30 January 2017, resigned on 28 July 2017
Suzie Jayne Foreman	Joint Company Secretary	Appointed on 9 June 2017

CURRENT DIRECTORS AND OFFICERS

Mr Charles Richard Wallace Wilkins
Director
Qualifications: Diploma of Electronic Engineering, Kilkenny Technical College, Adelaide
Richard Wilkins is the founding Director and Shareholder of Spectur. Richard has extensive industry experience in electronic engineering, telecommunications and radio communications. His experience spans from product design and technical development through to overseeing the commissioning and maintenance of major communications networks.

Richard began his career in the Royal Australian Navy, joining the radio (air) technical branch and finished in charge of the Electronics School of Avionics for pilots, navigators and technical staff. Richard entered the private sector where he headed Standard Telephones and Cables' maintenance team for microwave and mobile communications on the rail network between Newman and Port Hedland. He was subsequently engaged by the Natural Gas Pipeline Authority of South Australia (as it was then known) to oversee the commissioning and ongoing maintenance of the microwave and mobile communications network for the gas pipeline between Moomba and Adelaide. Richard successfully operated his own businesses, Radiolab, CR Labs and RF Innovations, which developed innovative electronic and communications products and serviced communications networks for government departments as well as major resources and telecommunications companies. He was integrally involved in the design and development of a high power paging transmitter which was ultimately sold to Telstra, Victoria's state-wide emergency services and to European markets under a license agreement. Richard, in his role as managing director, designed self-powered train wheel bearing temperature monitors and a low power active prototype radar system for collision avoidance, specifically for mine–site loading areas.

Richard remains actively involved in the day-to-day management and technical operations of Spectur, as well as working with the Board to set its strategy for ongoing business development, managing R&D and providing general support to the Managing Director.

During the three year period to the end of the financial year, Mr Wilkins has not held any listed public directorships.

Mr Peter William Holton
Director
Qualifications: Bsc Hons Degree - Social and Political Science, Kingston University, London, United Kingdom
Peter Holton has over 20 years' senior management experience in product sales, distribution and marketing in Australia and Europe. He has been directly responsible for managing and increasing product lines and sales via direct sales, distribution and licensing. Peter has previously developed and led sales teams for market leading companies both in Australia and in Europe. He was the sales manager of Surf Sales Ltd where he helped introduced the O'Neill brand into the UK market. He subsequently became the sales and marketing director of ATB Sales Ltd, setting up the launch of the high-end Marin mountain bike brand in the UK. Peter was also involved in financing the development of the 49er sailing dinghy developed by Australian 18-foot skiff legends, Frank and Julian Bethwaite. He held the European marketing rights to this boat which was ultimately selected by the International Olympic Committee for a new high sailing performance category at the 2000 Olympic Games held in Sydney.

Peter subsequently migrated to Australia where he established and operated successful coffee equipment sales and service business, Supreme Coffee Machines, as its managing director. Peter joined Spectur as Business Development Manager in 2012 and became the Managing Director in 2017.

During the three year period to the end of the financial year, Mr Holton has not held any listed public directorships.

CURRENT DIRECTORS AND OFFICERS (continued)

Mr Stephen Paul Bodeker
Non-Executive Director
Qualifications: Bachelor of Accounting Science from the University of South Africa, Associate General Accountant (South Africa), Certified Practising Accountant, Chartered Management Accountant
Mr Bodeker is an accomplished senior finance executive with over 20 years' experience in the corporate sector, working within several industries including professional services, logistics, manufacturing, health services and media. He has held senior finance roles in organisations including KPMG, Nestor Healthcare, Britvic PLC, Carbon Conscious Limited (now Alterra Limited) and Silver Chain Group. He is currently the Chief Financial Officer of Speqs Pty Ltd.

Mr Bodeker's experience spans external and internal audit, financial control, staff management, taxation, financial modelling, cost control, risk management, company secretarial and corporate governance.

Mr Bodeker is an associate member of the South African Institute of Chartered Accountants, a practicing CPA, a member of the Chartered Institute of Management Accountants and a fellow of the Governance Institute of Australia.

During the three year period to the end of the financial year, Mr Bodeker has not held any listed public directorships.

Mr Andrew Mark Hagen
Non-Executive Director
Qualifications: Bachelor of Commerce (Property and Finance) from Curtin University
Mr Hagen has substantial experience in business development, management, marketing and sales. Mr Hagen worked in the property development industry as a director of Tuart Properties, a privately held property development business since 2003 and worked as a Development Manager for ASX listed as well as government owned property development firms such as Brookfield Ltd, Mirvac Ltd, Peet Ltd, Cedar Woods Ltd and LandCorp over the course of 17 years.

More recently, Mr Hagen co-founded Cycliq Group Ltd (ASX:CYQ), held the position of CEO for over five years and still remains a substantial shareholder. He was responsible for creating and developing the business direction, sourcing seed funding, key relationship management, co-developing products, team building and promotion of the brand. Mr Hagen managed early stage sales and established Cycliq's international sales distribution network. In his role as CEO, he oversaw Cycliq's senior management team including its Australian and international operations.

Mr Hagen is also the director of Breakwater (WA) Pty Ltd, a private project management company.

During the three year period to the end of the financial year, Mr Hagen has served as a Director of Cycliq Group Limited, an ASX listed entity.

Ms Suzie Jayne Foreman
Company Secretary
Qualifications: Bachelor of Commerce (Honours) from the University of Sheffield, Chartered Accountant
Ms Foreman is a Chartered Accountant with over 20 years of experience within the UK and Australia, including 11 years combined experience with a Big 4, and a boutique advisory firm, specialising in the areas of audit and corporate services. Ms Foreman has extensive experience as a Chief Financial Officer and Company Secretary for ASX listed and start-up companies. Ms Foreman is skilled in cash flow, enterprise risk management, financial reporting, audit, and company secretarial work.

Ms Foreman is currently the Company Secretary and Chief Financial Officer for Jameson Resources Ltd (ASX:JAL) and has previously held several Company Secretary and/or Chief Financial Officer positions for ASX listed entities

During the three year period to the end of the financial year, Ms Foreman has not held any listed public directorships.

Mr Japheth Dela Torre
Non-Executive Director (resigned on 9 June 2017) & Joint Company Secretary (resigned 28 July 2017)
Qualifications: Bachelor of Science in Accountancy, University of Santo Tomas, Manila, Philippines, CPA
Mr. Dela Torre is a Certified Public Accountant and a member of CPA Australia. Mr. Dela Torre has more than 17 years' experience in external audit. He started his audit career at Ernst & Young Philippines. He spent more than 10 years in Ernst & Young Dubai, 5 years of which as a manager and one year in Crowe Horwath UAE as senior audit manager. Mr. Dela Torre migrated to Western Australia in 2015 and has held contract positions in a national mid-tier network firm. Mr. Dela Torre is currently a senior consultant at Cobblestones Corporate Pty Ltd.

During the three year period to the end of the financial year, Mr Dela Torre has not held any listed public directorships.

DIRECTORS' REPORT (continued)

DIRECTORS INTERESTS

Interests in the shares, options and convertible securities of the Company and related bodies corporate

The following relevant interests in shares and options of the Company or a related body corporate were held by the Directors as at the date of this report.

Directors	Number of fully paid ordinary shares	Number of options over ordinary shares	Number of performance rights
Charles Richard Wallace Wilkins	1,642,500	2,000,000	10,000,000
Peter William Holton	1,642,500	2,000,000	10,000,000
Stephen Paul Bodeker	25,000	250,000	-
Andrew Mark Hagen	25,000	500,000	-
Total	**3,335,000**	**4,750,000**	**20,000,000**

Shares under option or issued on exercise of options

At the date of this report, unissued ordinary shares or interests of the Company under option are:

Date options granted (or issued)	Number of shares under option	Exercise price of option	Expiry date of option
20 March 2017	4,000,000	$0.20	31 December 2020
10 April 2017	2,000,000	$0.20	31 December 2020
19 May 2017	700,000	$0.20	31 December 2020
14 June 2017	2,150,000	$0.20	31 December 2020
25 July 2017	5,500,000	$0.20	31 December 2020
Total	**14,350,000**		

There were no shares issued during the year as a result of an exercise of an Option.

Total shares, options and convertible securities of the Company on issue as at the date of this report

Number of fully paid ordinary shares (post share split)	Number of options over ordinary shares	Number of performance rights
41,000,000	**14,350,000**	**21,000,000**

PRINCIPAL ACTIVITIES

The principal activity of the Company during the year was to develop, manufacture and sell Remote Solar 3G/4G based Security Camera networks and associated products and services.

OPERATING AND FINANCIAL REVIEW

Results of Operations

The comprehensive loss of the Company for the year ended 30 June 2017, after providing for income tax amounted to $426,501 (2016: $66,971).

The loss is primarily due to activities relating to the design and development of the Company's Remote Solar 3G/4G based Security Camera networks and associated products and services, and costs associated with preparing the Company for ASX listing.

Review of financial conditions

The Company had a net cash in bank balance of $136,206 as at 30 June 2017 (2016: bank overdraft of $2,325). As at the reporting date, the Company has terminated its bank overdraft facility (2016: unutilised bank overdraft facility of $57,675).

At 30 June 2017, the Company had net assets of $491,140 (2016: net assets of $50,251), an increase of $440,889 compared with the previous year which was primarily due to the net effect capital raisings during the year and the loss of the Company during the year.

LOSS PER SHARE

	30 June 2017	30 June 2016
Basic loss per share (cents per share)	(3.31)	(0.60)

DIVIDENDS

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

EMPLOYEES

The Company had 7 employees as at 30 June 2017 (2016: 6 employees).

SIGNIFICANT EVENTS DURING THE YEAR

10 Cent Seed Capital Raising
On 19 December 2016, the then sole director of the Company, approved the issue of 250,000 shares at an issue price of $1.00 (pre-split), being the equivalent of 2,500,000 shares at an issue price of $0.10 per share (post-split) to raise $250,000. On 30 January 2017, 250,000 fully paid ordinary shares were issued by the Company to the subscribers of the $0.10 capital raising.

Buy-back of partly-paid shares
On 27 January 2017, the Company entered into a buy-back agreement with certain shareholders to buy-back and cancel 1,900,000 partly-paid shares amounting to $19,000. Thereafter, the Company issued 19,000 new fully paid ordinary shares equivalent to the amount paid for the partly-paid shares.

Change of name and becoming a public company
On 15 February 2017, the Company changed its name from Uwatchit Pty Ltd to Spectur Pty Ltd. The Company converted to a public company on 22 March 2017 and became Spectur Ltd. In addition, the Company also adopted a new Constitution effective from the conversion date.

Share subdivision
On 15 March 2017, the Company subdivided its share capital on a 10 for 1 basis for shareholders on record as at 27 January 2017.

Employee Incentive Plan
On 30 January 2017, the Company approved the establishment of an Employee Incentive Plan ("EIP") subject to the rules of the Plan.

Issue of Performance Rights to Directors
On 30 January 2017, the Company approved a resolution to make the following offer of Performance Rights:

a. 10,000,000 Performance Rights to Mr. Richard Wilkins, being the Company's Managing Director; and
b. 10,000,000 Performance Rights to Mr. Peter Holton, being an employee and proposed executive director of the Company.

The performance rights have the following vesting conditions (which were updated on 26 April 2017):

1. Tranche 1 – 33 1/3% - The total Revenue for the year ended 30 June 2018 being at least $1.75 million;
2. Tranche 2 – 33 1/3% - The total Revenue for the year ended 30 June 2019 being at least $3.5 million; and
3. Tranche 3 – 33 1/3% - The total Revenue for the year ended 30 June 2020 being at least $7 million.

On 20 March 2017, the Performance Rights were issued to the respective directors above. On 26 April 2017, the Board of Directors approved the resolution to amend the Tranche 3 vesting condition.

Issue of New Options to Directors' Nominees
On 30 January 2017, the Company approved the offer of the following new Options:

a. 2,000,000 new options at $0.005 each to Mr. Richard Wilkins (or his nominee); and
b. 2,000,000 new options at $0.005 each to Mr. Peter Holton (or his nominee).

On 20 March 2017, the New Options were issued to the respective nominees, being in total 4,000,000 at $0.005 to raise $20,000.

DIRECTORS' REPORT (continued)

SIGNIFICANT EVENTS DURING THE YEAR (continued)

Approval of 16 Cent Seed Application Form
On 7 April 2017, the Company issued 3,323,750 fully paid ordinary shares at $0.16 each to raise $531,800 before issue costs.

Cancellation of Options
On 30 January 2017, the Company cancelled 200,000 options exercisable at $1.00 on or before 30 March 2019, and 50,000 options exercisable at $1.50 on or before 30 June 2019.

Issue of New Options
On 10 April 2017, the Company issued 2,000,000 Company Options at $0.005 to raise $10,000. On 19 May 2017, the Company issued 700,000 Company Options to a consultant and an employee at nil consideration as replacement options for those cancelled under the Employee Incentive Plan and noted above. On 14 June 2017, the Company issued 2,150,000 Company Options to consultants and employees for nil consideration each under the Employee Incentive Plan. These options are exercisable at $0.20 on or before 31 December 2020.

Issue of New Shares
On 14 June 2017, the Company issued 500,000 shares at an issue price of $0.16 per share to raise $80,000 before share issue costs.

Initial Public Offering
On 19 June 2017, the Company lodged a Prospectus for an initial public offer of 21,250,000 fully paid ordinary shares at an issue price of $0.20 per share to raise $4,250,000 (before costs), with the ability to accept oversubscriptions of up to an additional 1,250,000 shares to raise up to an additional $250,000 (before costs); and 5,500,000 options at an issue price of $0.01 each to raise up to $55,000 (before costs), collectively "(The Offers"). The options are unlisted and entitle the holder to subscribe for 1 ordinary share at an exercise price of $0.20 on or before 31 December 2020.

The Company entered into a corporate advisory and capital raising mandate with its Lead Manager, Alto Capital or its nominees (Alto) under which Spectur would pay 1,000,000 shares and 1,000,000 performance rights upon a successful capital raising and listing of Spectur on the ASX. Capital raising costs of 6% of the total amount raised and a success fee of $50,000 were also payable upon completion of the ASX listing. A corporate advisory fee of $5,000 per month will be payable for 6 months following ASX listing.

SUBSEQUENT EVENTS AFTER THE REPORTING DATE

On 25 July 2017, the Company closed the Offers under the Prospectus and issued 22,500,000 fully paid ordinary shares to the subscribers of the Share Offer and 5,500,000 unlisted options to the subscribers of the Option Offer.

On 25 July 2017, the Company also issued 1,000,000 shares and 1,000,000 performance rights to Alto Capital or their nominees pursuant to the Lead Manager Agreement.

On 28 July 2017, the Company was admitted to the Official List of ASX Limited, with official quotation commencing on 1 August 2017.

LAWS AND REGULATIONS

Spectur's operations are subject to various laws and regulations under the relevant government legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve the objectives of the Company.

Instances of environmental non-compliance by an operation are identified either by internal investigations, external compliance audits or inspections by relevant government agencies.

There have been no know breaches of laws and regulations by the Company during the year.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED)

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel ("KMP") of Spectur Limited for the financial year ended 30 June 2017. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for KMP who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Key Management Personnel
The KMP of the Company during or since the end of the financial year were as follows:

Directors	Position	Period of Employment (to present)
Mr Charles Richard Wallace Wilkins	Executive Chairman	22 October 2009*
Mr Peter William Holton	Managing Director	9 March 2017*
Mr Stephen Paul Bodeker	Non-Executive Director	9 June 2017
Mr Andrew Mark Hagen	Non-Executive Director	9 June 2017
Mr Japheth Dela Torre	Non-Executive Director	22 March 2017 to 9 June 2017

*Mr Wilkins and Mr Holton provided consulting and management services on a consulting basis prior to their full time employment starting on 1 July 2017.

Executives	Position	Period of Employment (to present)
Dr Nicholas Le Marshall	Technology and Development Manager	1 July 2017**
Ms Suzie Jayne Foreman	Joint Company Secretary	9 June 2017
Mr Japheth Dela Torre	Joint Company Secretary	30 January 2017 to 28 July 2017

**Dr Nicholas Le Marshall provided technical and development services to the Company prior to his full time employment starting on 1 July 2017.

Remuneration Policy
The Company's remuneration policy for its KMP has been developed by the Board taking into account the size of the Company, the size of the management team, the nature and stage of development of the Company's current operations, and market conditions and comparable salary levels for companies of a similar size and operating in similar sectors.

In addition to considering the above general factors, the Board has also placed emphasis on the following specific issues in determining the remuneration policy for KMP:

- Operating results of new branches;
- Lodgement of associated patents of the Company's new technologies; and
- The listing of the Company's securities.

Remuneration Committee
Due to the current size of the Company, the Board did not implement a Remuneration Committee during the year, as such the board of Directors of the Company is responsible for determining and reviewing compensation arrangements for the Directors, the Managing Director and the executive team.

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
The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of non-executive Directors shall be determined from time to time by a general meeting. The Constitution states that the Company may pay to the Non-Executive Directors a maximum total amount of director's fees, determined by the Company in general meeting, or until so determined, as the Directors resolve. The Company intends to put to shareholders at the upcoming Annual General Meeting an aggregate remuneration amount to approve.

REMUNERATION REPORT (AUDITED) (continued)

Non-executive Director Remuneration (continued)
Non-Executive Directors' fees are presently set at $35,000 (2016: nil) per annum plus superannuation. These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company.

The Non-Executive salary remuneration is effective from the date of a Non-Executive Director's appointment. Options have also been issued to Non-Executive Directors in line with Company policy to attract suitable candidates to the position.

Executive Remuneration
The Company's remuneration policy is to provide a fixed remuneration component and a short and long term performance based component. The Board believes that this remuneration policy is appropriate given the considerations discussed in the section above and is appropriate in aligning executives' objectives with shareholder and business objectives.

Fixed Remuneration
Fixed remuneration consists of base salaries, as well as employer contributions to superannuation funds and other non-cash benefits. Fixed remuneration is reviewed annually by the Board. The process consists of a review of company and individual performance, relevant comparative remuneration externally and internally and, where appropriate, external advice on policies and practices.

Performance Based Remuneration – Short Term Incentive
The board intends to implement a system whereby Executives may be entitled to annual short term incentives upon achieving various key performance indicators ("KPI's"), as set by the Board. Having regard to the operations of the Company, the Board may determine these KPI's, including measures such as successful commercialisation of the Company's products and services, (e.g. specified levels of commercial sales of the solar camera systems within budgeted timeframes and costs), development activities, production and sales levels, operational cash flows, corporate activities (e.g. recruitment of key personnel) and business development activities (e.g. joint ventures and business development). Prior to the end of each financial year, the Board assesses performance against these criteria. A short term incentive plan has not been implemented to date, however this will be deliberated by the board, and key targets and proportion of salary at risk, and or bonuses, will be communicated if and once approved and established.

No bonuses were paid or are payable in relation to the 2017 financial year.

Performance Based Remuneration – Long Term Incentive

Company Options
The Board has previously chosen to issue Options (where appropriate) to some executives and employees as a key component of the incentive portion of their remuneration, in order to attract and retain the services of the executives and to provide an incentive linked to the performance of the Company.

The Board may grant Options to executives with exercise prices at and/or above market share price (at the time of agreement). As such, Incentive Options granted to executives will generally only be of benefit if the executives perform to the level whereby the value of the Company increases sufficiently to warrant exercising the Incentive Options granted. Other than service-based vesting conditions, there are no additional performance criteria on the Incentive Options granted to executives, as given the speculative nature of the Company's activities and the small management team responsible for its running, it is considered the performance of the executives and the performance and value of the Company are closely related. The Company prohibits executives entering into arrangements to limit their exposure to Incentive Options granted as part of their remuneration package.

Employee Incentive Plan
Spectur has implemented an Employee Incentive Plan during the year. Under the Plan, Spectur may grant options to subscribe for Shares or performance rights entitling the holder to be issued Shares on terms and conditions set by the Board at its discretion.

The material terms of the Plan are as follows:

(a) The objectives of the Plan are:

- (i) to establish a method by which eligible participants can participate in the future growth and profitability of Spectur;
- (ii) to provide an incentive and reward for eligible participants for their contributions to Spectur;
- (iii) to attract and retain a high standard of managerial and technical personnel for the benefit of Spectur; and
- (iv) to align the interests of eligible participants more closely with the interests of shareholders, by providing an opportunity for eligible participants to hold an equity interest in Spectur.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Employee Incentive Plan (continued)
(b) The following persons can participate in the Plan if the Board makes them an offer to do so:

(i) a full-time or part-time employee, including an executive and non-executive Director of Spectur or its related bodies corporate;
(ii) a contractor of Spectur or its related bodies corporate;
(iii) a casual employee of Spectur or its related bodies corporate where the employee or contractor is, or might reasonably be expected to be, engaged to work the pro-rata equivalent of 40% or more of a comparable full-time position; and
(iv) a person to whom an offer is made but who can only accept that offer if an arrangement has been entered into that will result in the person becoming covered by one of paragraphs (i) to (iii) above.

(c) Plan Options and Plan Rights (collectively Awards) issued under the Plan are subject to the terms and conditions set out in the Rules, which include:

(i) Vesting Conditions – which are time-based criteria, requirements or conditions (as specified in the offer and determined by the Board) which must be met prior to Awards vesting in a participant, which the Board may throughout the course of the period between the grant of an Award and its vesting, waive or accelerate as the Board considers reasonably appropriate;
(ii) Performance Conditions – which are conditions relating to the performance of Spectur and its related bodies corporate (and the manner in which those conditions will be tested) as specified in an offer and determined by the Board; and
(iii) Exercise Conditions – which are criteria, requirements or conditions, as determined by the Board or under the Plan, which must be met (notwithstanding the satisfaction of any Vesting Conditions and/or Performance Conditions) prior to a Participant being entitled to exercise vested Options.

(d) In accordance with ASIC Class Order 14/1000, the total Awards that may be issued under the Plan will not exceed 5% of the total number of Shares on issue. In calculating this limit, Awards issued to participants under the Plan other than in reliance upon this Class Order are discounted.

(e) The Board has the unfettered and absolute discretion to administer the Plan.

(f) Awards issued under the Plan are not transferable and will not be quoted on the ASX.

The Rules otherwise contain terms and conditions considered standard for employee incentive plan rules of this nature.

There were 2,850,000 options issued under the Employee Incentive Plan during the year (2016: Nil). There were no shares issued under the Employee Incentive Plan during the year (2016: Nil).

Employment Contracts
As of the date of this report, remuneration and other terms of employment of Directors and Other Key Management Personnel are formalised in employment contracts and service agreements. The major provision of the agreements related to the remuneration are set out below.

	Base salary/fee	Terms of agreement	Notice period
Executive Directors			
Richard Wilkins	$190,000	Commencement date – 1 July 2017	6 months in writing by either party
Peter Holton	$190,000	Commencement date – 1 July 2017	6 months in writing by either party
Non-Executive Directors			
Stephen Bodeker	$35,000	Commencement date – 9 June 2017	Upon written advise of intention or in accordance with the Constitution of the Company or the Corporations Act 2001
Andrew Hagen	$35,000	Commencement date – 9 June 2017	Upon written advise of intention or in accordance with the Constitution of the Company or the Corporations Act 2001

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Employment Contracts (continued)

As of the date of this report, remuneration and other terms of employment of Directors and Other Key Management Personnel are formalised in an employment contract. The major provision of the agreements related to the remuneration are set out below.

	Base salary/fee	Terms of agreement	Notice period
Other KMP			
Nick Le Marshall	$180,000 – first 12 months $200,000 – after 12 months	Commencement date -1 July 2017	6 months in writing by either party
Suzie Jayne Foreman	$3,500 plus GST per month	Commencement date – 9 June 2017	60 days in writing by either party

Relationship between Remuneration of KMP and Shareholder Wealth and Earnings

The Board anticipates that the Company will retain earnings (if any) and other cash resources for the development of its solar cameras and associated products and services activities. The Company does not currently have a policy with respect to the payment of dividends and returns of capital however this will be reviewed on an annual basis. Therefore, there was no relationship between the Board's policy for determining, or in relation to, the nature and amount of remuneration of KMP and dividends paid and returns of capital by the Company during the current and previous four financial years.

The Company did not have listed securities during the year and no consideration was given to appreciation of the Company's shares when setting remuneration.

The Company issued Incentive Options to KMP and has implemented an Employee Incentive Plan during the year which will generally be of value if the Company's shares appreciate over time. However, it should be noted that all Director Options have an ASX imposed 24 month escrow (sale) restriction period. This is in line with the Company policy that Company Options are issued as a long term incentive for Directors.

Remuneration of Key Management Personnel

Details of the nature and amount of each element of the emoluments received by or payable to each of the Key Management Personnel (KMP) of Spectur Limited are as follows:

	Short-term benefits					
2017	**Salary & fees $**	**Super-annuation $**	**Termination payments $**	**Share-based payments $**	**Total $**	**Percentage performance related %**
Directors						
Richard Wilkins[1]	195,000	-	-	-	195,000	-
Peter Holton[2]	185,000	-	-	-	185,000	-
Stephen Bodeker[3]	2,154	204	-	2,500	4,858	-
Andrew Hagen[3]	2,358	-	-	2,500	4,858	-
Japheth Dela Torre[4]	34,000	-	-	-	34,000	-
Other KMP						
Nick Le Marshall[5]	126,585	-		5,000	131,585	-
Suzie Foreman[6]	1,533	-	-	500	2,033	-
Total	**546,630**	**204**	**-**	**10,500**	**557,334**	**-**

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Remuneration of Key Management Personnel (continued)

2016	Short-term benefits Salary & fees $	Super-annuation $	Termination payments $	Share-based payments $	Total $	Percentage performance related %
Director						
Richard Wilkins[1]	136,000	-	-	-	136,000	-
Other KMP						
Peter Holton[2]	135,000	-	-	-	135,000	-
Nick Le Marshall[5]	81,114				81,114	-
Total	**352,114**	**-**	**-**	**-**	**352,114**	**-**

Remuneration of Key Management Personnel (continued)

[1] Richard Wilkins became a full time employee only on 1 July 2017. Prior to this, he provided consulting and management services through a related entity, Space Nominees Pty Ltd (Space Nominees). During the year, a total of $195,000 was recognised as an expense by the Company for consulting and management services, associated services and reimbursements (2016: $136,000). As at 30 June 2017, $5,500 is payable to Space Nominees for the abovementioned services (2016: $Nil).

[2] Peter Holton became a full time employee only on 1 July 2017. Prior to this, he provided consulting and management services through a related entity, Chelsea Brook Pty Ltd (Chelsea Brook). During the year, a total of $185,000 was recognised as an expense by the Company for consulting and management services, associated services and reimbursements (2016: $135,000). As at 30 June 2017, $5,500 is payable to Chelsea Brook for the abovementioned services (2016: $16,500).

[3] Stephen Bodeker and Andrew Hagen were appointed as Non-Executive Directors on 9 June 2017. Their remuneration were effective from that date.

[4] Mr Dela Torre's remuneration as Non-Executive Director and Company Secretary is set out in the Corporate Secretarial Services agreement between Spectur and Cobblestones Corporate Pty Ltd, which employs Mr Dela Torre. Company secretarial services charged to the Company during the year totalled $34,000 (2016: $Nil). As at 30 June 2017, $5,500 is payable to Cobblestones Corporate (2016: $Nil).

[5] Dr Nick Marshall became a full time employee only on 1 July 2017. Prior to this, he provided technical and development services through a related entity, Burtek Pty Ltd (Burtek). During the year, a total of $126,585 was recognised as an expense by the Company for technical and development services, associated services and reimbursements (2016: $81,114). As at 30 June 2017, $8,348 is payable to Burtek (2016: $12,537).

[6] Ms Foreman's remuneration is set out in the Company Secretarial and Corporate Services agreement between Spectur and Athena Corporate Pty Ltd, a related entity to Ms Foreman. As at 30 June 2017, $1,533 is payable to Athena Corporate Pty Ltd (2016: $Nil).

No member of key management personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

Cash bonuses granted as compensation for the current financial year.
No cash bonuses were granted during the year ended 2017 (2016: nil).

Options

Details of employee share option plans granted as compensation for the current financial year
For details on the valuation of the options, including models and assumptions used, please refer to Notes 6 and 21. There were no material alterations to the terms and conditions of options granted as remuneration since their grant date.

Terms and conditions of share-based plans in existence affecting key management personnel during the financial year or future financial years included options issued under the Employee Incentive Plan. The below table details all options issued under the Employee Incentive Plan, noting some options have been issued to employees or consultants that are not KMPs.

Date options granted	Number of shares under option	Exercise price of option	Value per option at grant date	Value of options at grant date	Expiry date of option
09/06/2017	2,850,000	$0.20	$0.10	$28,500	31/12/2020
Total	**2,850,000**	**$0.20**	**$0.10**	**$28,500**	**31/12/2020**

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Options (continued)
Share options granted to KMP
During the financial year, share options were granted to the following key management personnel of the Company and the entities they controlled as part of their remuneration.

	Exercise price	Expiry date	Number of options granted	Total number of shares under option at the end of the year
Directors				
Stephen Bodeker	$0.20	31/12/2020	250,000	250,000
Andrew Hagen[1]	$0.20	31/12/2020	250,000	250,000
Executives				
Nick Le Marshall	$0.20	31/12/2020	500,000	500,000
Suzie Foreman	$0.20	31/12/2020	50,000	50,000
Total	**-**	**-**	**1,050,000**	**1,050,000**

[1] Andrew Hagen's options are registered in the name of Breakwater WA Pty Ltd, a company in which he is also a director.

There were no alterations to the terms and conditions of options granted as remuneration since their grant date.
For details on the valuation of the options, including models and assumptions used, please refer to Notes 6 and 21.

There were no shares issued during the year as a result of the exercise of an Option. No Options lapsed during the year.

Shares and performance rights issued to KMP
During the financial year, performance rights were issued to the following key management personnel of the Company and the entities it controlled as part of their remuneration. There were no shares issued during the year as part of their remuneration.

	Number of shares	Number of performance rights (Tranche A, B & C)[1]
Directors		
Richard Wilkins	-	10,000,000
Peter Holton	-	10,000,000
Total[1]	**-**	**20,000,000**

[1] Performance shares were issued for nil consideration.
[2] The terms and conditions of performance rights are set out in Note 7.

Loans from key management personnel
The Company was provided loaned funds from Richard Wilkins and Peter Holton. Loans were unsecured and no amounts were outstanding on the loans as at the end of the year.

Aggregate amounts in respect of loans provided by key management personnel

	Balance at beginning of year	Interest charged	Arm's length interest differential (i)	Balance at end of year	Number of key management personnel
30 June 2017	13,480	667	-	-	2
30 June 2016	23,480	1,750	-	$13,480	2

(i) The amount above refers to the difference between the amount of interest paid and payable in the reporting period and the amount of interest that would have been charged on an arms-length basis.

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Key management personnel equity holdings

Fully paid ordinary shares

30 June 2017	Balance at beginning of year Number	Granted as compensation Number	Received on exercise of options Number	Net change other Number*	Balance at end of year Number	Balance held nominally Number
Directors						
Richard Wilkins	204,000	-	-	1,953,500[1]	2,157,500	1,592,500
Peter Holton	150,000	-	-	1,442,500[2]	1,592,500	1,592,500

[1] The net change include issue of 9,250 shares equivalent to the amount paid for the partly-paid shares bought back on 27 January 2017; increase in number of shares as a result of share subdivision by 1,919,250 and subscription of 25,000 new shares.
[2] The net change include issue of 9,250 shares equivalent to the amount paid for the partly-paid shares bought back on 27 January 2017 and increase in number of shares as a result of share subdivision by 1,433,250 shares.

30 June 2016	Balance at beginning of year Number	Granted as compensation Number	Received on exercise of options Number	Net change other Number	Balance at end of year Number	Balance held nominally Number
Directors						
Richard Wilkins	204,000	-	-	-	204,000	150,000
Peter Holton	150,000	-	-	-	150,000	150,000

Partially paid ordinary shares

30 June 2017	Balance at beginning of year Number	Granted as compensation Number	Received on exercise of options Number	Net change other Number*	Balance at end of year Number	Balance held nominally Number
Directors						
Richard Wilkins	925,000	-	-	(925,000)[1]	-	-
Peter Holton	925,000	-	-	(925,000)[1]	-	-

[1] These partially paid shares were bought back and cancelled by the Company during the year. Thereafter, new fully paid ordinary shares were issued by the Company for the equivalent amount paid for the cancelled partially paid ordinary shares.

30 June 2016	Balance at beginning of year Number	Granted as compensation Number	Received on exercise of options Number	Net change other Number*	Balance at end of year Number	Balance held nominally Number
Directors						
Richard Wilkins	925,000	-	-	-	925,000	925,000
Peter Holton	925,000	-	-	-	925,000	925,000

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Key management personnel equity holdings (continued)

Share options

30 June 2017	Balance at beginning of year Number	Granted as compensation Number	Exercised Number	Net change other Number	Balance at end of year Number
Directors					
Richard Wilkins	-	-	-	2,000,000[1]	2,000,000
Peter Holton	-	-	-	2,000,000[1]	2,000,000
Stephen Bodeker	-	250,000	-	-	250,000
Andrew Hagen	-	250,000	-	-	250,000
Executives					
Nick Le Marshall	-	500,000	-	-	500,000
Suzie Foreman	-	50,000	-	-	50,000

[1] These options were subscribed by the respective directors' nominees at $0.05 per option raising $20,000.

There were no options issued to key management personnel during the period to 30 June 2016.

For details of the employee share option plan and of share options granted during the 2017 financial year, please refer to Notes 6 and 21. All share options issued to KMP were made in accordance with the provisions of the employee incentive plan except for options issued to Richard Wilkins and Peter Holton. During the year, no options were exercised or sold. No amounts remain unpaid on the options during the financial year at year end.

Performance Rights Tranche 1

30 June 2017	Balance at beginning of year Number	Granted as compensation for services Number	Balance at end of year Number	Balance held nominally Number
Directors				
Richard Wilkins	-	3,333,333	3,333,333	3,333,333
Peter Holton	-	3,333,333	3,333,333	3,333,333

Performance Rights Tranche 2

30 June 2017	Balance at beginning of year Number	Granted as compensation for services Number	Balance at end of year Number	Balance held nominally Number
Directors				
Richard Wilkins	-	3,333,334	3,333,334	3,333,334
Peter Holton	-	3,333,333	3,333,333	3,333,333

Performance Rights Tranche 3

30 June 2017	Balance at beginning of year Number	Granted as compensation for services Number	Balance at end of year Number	Balance held nominally Number
Directors				
Richard Wilkins	-	3,333,333	3,333,333	3,333,333
Peter Holton	-	3,333,334	3,333,334	3,333,334

DIRECTORS' REPORT (continued)

REMUNERATION REPORT (AUDITED) (continued)

Key management personnel equity holdings (continued)

The performance rights will have the following vesting conditions:

a. Tranche 1 – 33 1/3% - The total Revenue for the year ended 30 June 2018 being at least $1.75 million;
b. Tranche 2 – 33 1/3% - The total Revenue for the year ended 30 June 2019 being at least $3.5 million; and
c. Tranche 3 – 33 1/3% - The total Revenue for the year ended 30 June 2020 being at least $7 million.

Total Revenue is determined by reference to Spectur's audited financial statements for each respective financial year. Performance rights or shares issued upon conversion are subject to a 24 month ASX imposed escrow period.

END OF REMUNERATION REPORT

INDEMNIFICATION AND INSURANCE OF OFFICERS

The Constitution of the Company requires the Company, to the extent permitted by law, to indemnify any person who is or has been a director or officer of the Company for any liability caused as such a director or officer and any legal costs incurred by a director or officer in defending an action for any liability caused as such a director or officer.

During or since the end of the financial year, no amounts have been paid by the Company in relation to the above indemnities.

During the financial year, insurance premiums paid by the Company were $Nil (2016: $nil) to insure against a liability incurred by a person who is or has been a director or officer of the Company or Company. Subsequent to the year end, the Company expects to pay $12,500 ex GST as insurance premium in relation to the above.

DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

Directors' meetings

2017	No. eligible to attend	No. attended
Richard Wilkins	3	3
Peter Holton	2	2
Stephen Bodeker	1	1
Andrew Hagen	1	1
Japheth Dela Torre	-	-

In addition to the above meetings, the board executed 20 circular resolutions during the year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

FUTURE DEVELOPMENTS

The Company remains committed to building shareholders' value, through Spectur:

- Increasing its market share by expanding into all states within Australia from opening offices in Melbourne and Sydney;
- Potentially exporting overseas by targeting US and other markets (pending international certifications);
- Targeting new industries outside of the traditional construction industry;
- Bringing new products and service extensions to market by continued research and development, to provide additional features to new camera models that meet and exceed industry expectations; and
- Seeking to acquire or partner with synergistic technology and operating businesses that can assist with growth.

DIRECTORS' REPORT (continued)

DIVERSITY

The Company believes that the promotion of diversity on its Board and within the organisation generally is good practice, and is committed to managing diversity as a means of enhancing the Company's performance. There are currently no women on the Board, however, Ms Foreman fulfils the role of Company Secretary and is defined as a Key Management Person. Further information is set out in the Corporate Governance section on page 50 of this report, which will focus on the participation of women on Boards and set out objectives for gender diversity.

AUDITOR INDEPENDENCE AND NON-AUDIT SERVICES

The following non-audit services were provided by the Company's auditor, HLB Mann Judd. The directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that the auditor independence was not compromised.

	30 June 2017	**30 June 2016**
	$	**$**
Investigating accountant's report	10,000	-

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the annual report. This Independence Declaration is set out on page 21 and forms part of this Directors' report for the year ended 30 June 2017.

Signed in accordance with a resolution of the directors.

Mr Charles Richard Wallace Wilkins
Director
Dated this 30 August 2017

HLB Mann Judd
Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Spectur Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 August 2017

N G Neill
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4 130 Stirling Street Perth WA 6000 | PO Box 8124 Perth BC WA 6849 | Telephone +61 (08) 9227 7500 | Fax +61 (08) 9227 7533
Email: mailbox@hlbwa.com.au | Website: www.hlb.com.au

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2017

	Notes	30 June 2017 $	30 June 2016 $
Continuing operations			
Revenue	3(a)	1,332,681	935,320
Cost of sales		(556,784)	(401,035)
Gross profit		775,897	534,285
Other income		2,569	-
Research and development expenses	3(b)	(525,502)	(367,852)
Employee benefits		(382,211)	(207,183)
General and administrative expenses		(321,113)	(77,366)
Marketing and advertising		(85,679)	(44,998)
Rent		(42,698)	(39,301)
Depreciation and amortisation		(20,227)	(12,540)
Interest expense		(3,599)	(5,787)
Share-based payment expense		(28,500)	-
Loss before income tax benefit		**(631,063)**	**(220,742)**
Income tax benefit	4	204,562	153,771
Loss for the year		**(426,501)**	**(66,971)**
Other comprehensive income, net of income tax		**-**	**-**
Total comprehensive loss for the year		**(426,501)**	**(66,971)**
Loss attributable to members of the Company		**(426,501)**	**(66,971)**
Basic loss per share (cents per share)	8	**(3.31)**	**(0.60)**

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	30 June 2017	30 June 2016
		$	$
Assets			
Current Assets			
Cash and cash equivalents	9	136,206	-
Trade and other receivables	10	593,351	223,407
Inventories	11	176,011	-
Total Current Assets		**905,568**	**223,407**
Non-Current Assets			
Property, plant and equipment	12	53,731	42,612
Intangible assets	13	2,861	3,517
Total Non-Current Assets		**56,592**	**46,129**
Total Assets		**962,160**	**269,536**
Liabilities			
Current Liabilities			
Trade and other payables	14	471,020	205,805
Loan payable	15	-	13,480
Total Liabilities		**471,020**	**219,285**
Net Assets		**491,140**	**50,251**
Equity			
Issued capital	5	1,936,890	1,128,000
Option reserves	6	58,500	-
Accumulated losses		(1,504,250)	(1,077,749)
Net Equity		**491,140**	**50,251**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Issued Capital $	Option Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2015	**1,128,000**	**-**	**(1,010,778)**	**117,222**
Loss for the year	**-**	**-**	**(66,971)**	**(66,971)**
Total comprehensive loss for the year	**-**	**-**	**(66,971)**	**(66,971)**
Balance as at 30 June 2016	**1,128,000**	**-**	**(1,077,749)**	**50,251**

	Issued Capital $	Option Reserve $	Accumulated Losses $	Total Equity $
Balance at 1 July 2016	**1,128,000**	**-**	**(1,077,749)**	**50,251**
Loss for the year	**-**	**-**	**(426,501)**	**(426,501)**
Total comprehensive loss for the year	**-**	**-**	**(426,501)**	**(426,501)**
Shares issued during the year	**861,800**	**-**	**-**	**861,800**
Shares issue costs	**(52,910)**	**-**	**-**	**(52,910)**
Options issued during the year	**-**	**30,000**	**-**	**30,000**
Share-based payments	**-**	**28,500**	**-**	**28,500**
Balance as at 30 June 2017	**1,936,890**	**58,500**	**(1,504,250)**	**491,140**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Note	30 June 2017 $	30 June 2016 $
Cash flows from operating activities			
Payments to suppliers and employees		(2,102,461)	(1,088,485)
Receipts from customers		1,274,210	959,474
Interest paid		(3,599)	(5,787)
R & D tax incentive received		153,772	201,756
Net cash (used in) / from operating activities	9	**(678,078)**	**66,958**
Cash flows from investing activities			
Purchase of property, plant and equipment		(33,801)	(34,023)
Net cash (used in) investing activities		**(33,801)**	**(34,023)**
Cash flows from financing activities			
Proceeds from issue and subscription of shares		865,390	-
Proceeds from issue of options for cash		30,000	-
Payment for share issue costs		(31,500)	-
Repayment of borrowings		(13,480)	(10,000)
Net cash from / (used in) financing activities		**850,410**	**(10,000)**
Net increase in cash and equivalents held		**138,531**	**22,935**
Cash and cash equivalents at the beginning of the year		**(2,325)**	**(25,260)**
Cash and cash equivalents at the end of the year	**9**	**136,206**	**(2,325)**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standards and Interpretations and comply with other requirements of the law.

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

The accounting policies detailed below have been consistently applied to all of the years presented unless otherwise stated. The financial statements are for Spectur Limited. Spectur Limited does have any subsidiaries.

The financial statements have been prepared on a historical cost basis. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The Company is a listed public company, incorporated and operating in Australia.

(b) Adoption of new and revised standards

Standards and Interpretations applicable to 30 June 2017

In the year ended 30 June 2017, 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 annual 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 material change is necessary to Company accounting policies.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2017. As a result of this review the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Company accounting policies.

(c) Statement of compliance

The financial report was authorised for issued in accordance with a resolution of the Directors on 30 August 2017.

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).

(d) Significant accounting estimates and judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of intangibles with indefinite useful lives:

The Company determines whether intangibles with indefinite useful lives are impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units to which the intangibles with indefinite useful lives are allocated.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Significant accounting estimates and judgements (continued)

Share-based payment transactions:

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using internal valuation models in conjunction with the market price of the share-based payments.

(e) Going concern

Notwithstanding the fact that as at 30 June 2017, the Company has accumulated losses of $1,504,250, the Directors are of the opinion that the Company will continue as a going concern for the following reasons:

- Subsequent to the year end, the Company completed its IPO and was admitted to the Official List of ASX on 28 July 2017. The Company raised $4,550,000 (before costs) through the issue of 22,500,000 fully paid ordinary shares at $0.20 each and 5,500,000 unlisted options at $0.01 each. The funds raised will be used to meet the increase production and sales requirements, geographical expansion, research and development and ongoing working capital requirements of the Company.
- The Company's ongoing expansion in the East coast of Australia is expected to increase the sales revenue of the Company.
- The Directors will monitor the Company's revenue and cash flows and do not anticipate the need to raise further equity in 2018 year. However, any requirement for future capital raising will be reviewed on an ongoing basis.

(f) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of Directors of Spectur.

(g) Foreign currency translation

Both the functional and presentation currency of Spectur is Australian dollars.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date. All exchange differences in the financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(h) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Sale of goods

Revenue is recognised when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Revenue recognition (continued)

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be reliably measured. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that assets' net carrying amount on initial recognition.

(i) Leases

Operating lease payments are recognised as an expense on a straight line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

(j) Income tax

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from 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 the accounting profit nor taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Income tax (continued)
Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

(k) Other taxes
Revenues, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

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

Cash flows are included in the statement of cash flows 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 are classified as operating cash flows.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(l) Impairment of tangible and intangible assets other than goodwill
The Company assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset’s recoverable amount. An asset’s recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company’s of assets and the asset's value in use cannot be estimated to be close to its fair value.

In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of tangible and intangible assets other than goodwill (continued)
An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(m) Cash and cash equivalents
Cash comprises cash at bank and in hand, net of bank overdrafts. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

(n) Trade and other receivables
Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Company will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Company in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Company. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(o) Inventories
Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition is accounted for as follows:

- Raw materials – purchase cost on a first-in, first-out basis; and
- Finished goods and work-in-progress – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(p) Property, plant and equipment
Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Property, plant and equipment (continued)

Depreciation is calculated on diminishing value basis using the following rates:

Motor vehicle	25%
Plant equipment	10% to 50%
Office equipment	10% to 50%
Camera equipment	33.33%

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(q) Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. Where no internally-generated intangible asset can be recognised, development expenditure is recognised as an expense in the period as incurred.

An 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 development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. 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 acquired separately.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Intangible assets (continued)
The following useful lives are used in the calculation of amortisation:

Patents	8 years following grant of patent
Trademarks	10 years following grant of trademark

(r) Trade and other payables
Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(s) Borrowings
Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

The fair value of the liability portion of a convertible note is determined using a market interest rate for an equivalent non-convertible note. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the note. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(t) Provisions
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

When the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

(u) Share-based payment transactions
Equity settled transactions
The Company provides benefits to employees (including senior executives) of the Company in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Share-based payment transactions (continued)
Equity settled transactions (continued)
The Company has the following plan in place:

- the Employee Incentive Plan (EIP), which provides benefits to Directors and senior executives and is governed by the Employee Incentive Plan Rules.

The cost of these equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by internal valuation using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Company (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the Company's best estimate of the number of equity instruments that will ultimately vest. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Cash settled transactions:
The Company also provides benefits to employees in the form of cash-settled share-based payments, whereby employees render services in exchange for cash, the amounts of which are determined by reference to movements in the price of the shares of Company.

The cost of cash-settled transactions is measured initially at fair value at the grant date using the Black-Scholes formula taking into account the terms and conditions upon which the instruments were granted. This fair value is expensed over the period until vesting with recognition of a corresponding liability. The liability is remeasured to fair value at each balance date up to and including the settlement date with changes in fair value recognised in profit or loss.

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(v) Dividends
Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Earnings per share
Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTE 2: SEGMENT REPORTING

The Company only operated in one segment, being design, development, manufacture and selling Remote Solar 3G/4G based Security Camera networks and associated products and services.

NOTE 3: REVENUE AND EXPENSES

	30 June 2017 $	30 June 2016 $
(a) Revenue		
Sales		
Hardware	961,669	733,084
Server access and data plan	233,413	135,614
Monitoring	44,853	37,705
Equipment rental and repairs	92,746	28,917
Total	**1,332,681**	**935,320**
(b) Research and Development expenses*		
Consulting and development fees	506,585	346,172
Supplies	18,917	21,680
Total	**525,502**	**367,852**

* Research and Development expenses relate to direct expenses only and it should be noted that a portion of Other Costs may be considered R&D expenses for tax purposes.

NOTE 4: INCOME TAX

	30 June 2017 $	30 June 2016 $
(a) Income tax benefit	**204,562**	**153,771**
(b) Numerical reconciliation between tax-benefit and pre-tax net loss		
(Loss) from ordinary activities	(631,063)	(220,742)
Income tax using the Company's domestic tax rate of 27.5% (2016:28.5%)	(173,542)	(62,911)
Effect of items that are not assessable/deductible in determining taxable loss:		
- Non-deductible expenses	167,626	215,359
- Non-assessable income	4,347	22,862
- Other deductible expenses	(19,104)	(3,198)
Tax losses for which no deferred tax asset was recognised	20,673	-
Income tax benefit relating to R&D claim	(204,562)	(325,883)
Income tax benefit attributable to entity	**(204,562)**	**(153,771)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 4: INCOME TAX (continued)

(c) Unrecognised deferred tax

Tax losses for which no deferred tax asset has been recognised	**30 June 2017 $**	**30 June 2016 $**
Losses available for offset against future taxable income	75,173	-
Total	75,173	-
Potential tax benefits at 27.5%	**20,673**	**-**

The benefit of deferred tax assets not brought to account will only be brought to account if:

- future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realised;
- the conditions for deductibility imposed by tax legislation continue to be complied with; and
- no changes in tax legislation adversely affect the Company in realising the benefit.

(d) Income tax recognised in profit or loss

	30 June 2017 $	**30 June 2016 $**
Current tax expense/(income)	(31,547)	160,508
Deferred tax expense/(income)	10,874	11,604
Tax losses not recognised	20,673	-
Income tax benefit relating to R&D claim	(204,562)	(325,883)
Net income tax benefit	**(204,562)**	**(153,771)**

NOTE 5: ISSUED CAPITAL

As at 30 June 2017, the Company had the following issued share capital:

	30 June 2017		**30 June 2016**	
	Number	**$**	**Number**	**$**
Fully paid ordinary shares	17,500,000	1,936,890	1,098,625	1,109,000
Partially paid ordinary shares	-	-	1,900,000	19,000
	17,500,000	**1,936,890**	**2,998,625**	**1,128,000**
Movement of issued share capital:				
Balance at beginning of year	2,998,625	1,128,000	2,998,625	1,218,000
Buy-back of partly paid shares	(1,900,000)	(19,000)	-	-
Issue of new shares in exchange for partly paid shares bought back	19,000	19,000	-	-
Share subdivision – 10 for 1 share	10,058,625	-	-	-
10c seed capital raising	2,500,000	250,000	-	-
16c seed capital raising	3,323,750	531,800	-	-
2nd 16c seed capital raising	500,000	80,000	-	-
Share issue costs	-	(52,910)	-	-
Balance at end of year	**17,500,000**	**1,936,890**	**2,998,625**	**1,128,000**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 6: COMPANY OPTIONS

	30 June 2017		30 June 2016	
	Number	$	Number	$
Movement of issued share capital:				
Balance at beginning of year	200,000	-	200,000	-
Issued during the year to an employee at nil consideration before the EIP	50,000	-	-	-
Cancellation of options	(250,000)	-	-	
Issued during the year for cash consideration	6,000,000	30,000	-	-
Issued during the year to employees under the EIP	2,050,000	20,500	-	-
Issued on during the year to consultants	800,000	8,000	-	-
Lapsed unexercised	-	-	-	-
Balance at end of year	**8,850,000**	**58,500**	**200,000**	**-**

(i) In prior years, the Company issued 200,000 options to Venture Skills Pty Ltd at Nil consideration. The options have an exercise price of $1.00 per share and expire on 30 March 2019. On 30 January 2017, the Company cancelled the 200,000 options above. On 19 May 2017, 250,000 New Options were issued, which will entitle Venture Skills Pty Ltd to subscribe for 1 fully paid ordinary share in the Company at an exercise price of $0.20 each on or before 31 December 2020. These options were allocated a market value of $0.01 each, consistent with the offer under the prospectus.

(ii) On 5 August 2016, the Company issued 50,000 options to an employee during the year at Nil consideration. The options have an exercise price of $1.50 per share and expire on 30 June 2019. On 30 January 2017, Company cancelled the 50,000 options above. On 19 May 2017, 450,000 New Options were issued under the Employee Incentive Plan. The options entitle the employee to subscribe for 1 fully paid ordinary share in the Company at an exercise price of $0.20 each on or before 31 December 2020. These options were allocated a market value of $0.01 each, consistent with the offer under the prospectus.

(iii) On 20 March 2017, the Company issued 4,000,000 options to the respective nominees of two of its directors at $0.005 to raise $20,000. On 10 April 2017, the Company issued a further 2,000,000 options at $0.005 to raise $10,000 to its lead manager and its nominees.

(iv) 1,600,000 options were issued at nil consideration to employees of the Company subject to the conditions of the offer and the Employee Incentive Plan. These options were allocated a market value of $0.01 each, consistent with the offer under the prospectus.

(v) 550,000 options were issued at nil consideration to consultants of the Company for services provided to the Company. These options were allocated a market value of $0.01 each, consistent with the offer under the prospectus.

(vi) No Options were exercised nor lapsed during the half year ended 31 December 2016 and the year ended 30 June 2016.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 7: PERFORMANCE RIGHTS

As at 30 June 2017, the following performance rights were on issue:

	30 June 2017		30 June 2016	
	Number	$	Number	$
Performance rights issued	20,000,000	-	-	-
	20,000,000	**-**	**-**	**-**
Movement of issued share capital:				
Balance at beginning of year	-	-	-	-
Issue of performance rights to directors	20,000,000	-	-	-
Balance at end of year	**20,000,000**	**-**	**-**	**-**

On 20 March 2017, the following Performance Rights were issued to the respective directors. On 26 April 2017, the Board of Directors approved the resolution to amend the Tranche 3 vesting condition.

a. 10,000,000 Performance Rights to Mr. Charles Richard Wilkins, and
b. 10,000,000 Performance Rights to Mr. Peter Holton,

The performance rights have the following vesting conditions (which were updated on 26 April 2017):

(i) Tranche 1 – 33 1/3% - The total Revenue for the year ended 30 June 2018 being at least $1.75 million;
(ii) Tranche 2 – 33 1/3% - The total Revenue for the year ended 30 June 2019 being at least $3.5 million; and
(iii) Tranche 3 – 33 1/3% - The total Revenue for the year ended 30 June 2020 being at least $7 million.

Currently, there are no reasonable grounds in which to assess the likelihood of the various performance milestones being met. The Company assessed that there is a high level of uncertainty whether the performance milestones referred to above will be met due to the difficulty in the assessment of the potential for future short term revenue as this is largely dependent on the Company successfully expanding its operations. The Company does not consider to have a reasonable basis to reliably forecast future revenue at the reporting date.

Therefore at the reporting date, the Company does not consider that it is probable that the performance milestones will be met (this being the best available estimate) and as such no value has been assigned to the performance rights as at the reporting date. The Company, in accordance with AASB 2 Share based payments, continuously reassess the probability of each performance milestone being achieved up until the expiry of the performance rights.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8: LOSS PER SHARE

Basic and diluted loss per share

	30 June 2017 Cents per share	30 June 2016 Cents per share
Basic loss per share (cents per share)	**(3.31)**	**(0.60)**

Loss

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

	30 June 2017 $	30 June 2016 $
Losses	**(426,502)**	**(66,971)**

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 2017 Number	30 June 2016 Number
Weighted average number of ordinary shares for the purpose of basic loss per share	**12,866,362**	**11,157,250**

NOTE 9: CASH AND CASH EQUIVALENTS

Reconciliation to the Statement of Cash Flows:
For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank, net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	30 June 2017 $	30 June 2016 $
Cash at hand and in bank	111,206	-
Cash in bank – share subscriptions held on trust[1]	25,000	-
	136,206	-
Bank overdraft (Note 14)	-	(2,325)
Net cash and cash equivalents	**136,206**	**(2,325)**

As at 30 June 2017, the Company has terminated its overdraft facility (unutilised overdraft facility amounting to $57,675 as at 30 June 2016).

[1] Cash in bank includes $25,000 which relates to equity application funds held on behalf of investors for unissued securities. A corresponding current liability was recorded for $25,000 as funds owed to investors until such time as shares had been validly issued under the prospectus dated 19 June 2017.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 9: CASH AND CASH EQUIVALENTS (continued)
Reconciliation of loss after tax to net cash outflow from operating activities:

	30 June 2017 $	30 June 2016 $
Loss for the year	(426,502)	(66,971)
Adjustment for non-cash income and expense items		
Depreciation and amortisation	20,227	12,540
Accrued R&D refund receivable	(204,562)	-
R&D refund received	153,772	201,756
Loss on disposal of property and equipment	3,111	-
Share-based payment expense	28,500	-
Change in assets and liabilities		
Increase in trade and other receivables	(319,153)	(129,617)
Increase in inventories	(176,011)	-
Increase in trade and other payables	242,540	49,250
Net cash (outflow) / inflow from operating activities	**(678,078)**	**66,958**

NOTE 10: TRADE AND OTHER RECEIVABLES

	30 June 2017 $	30 June 2016 $
Trade receivables	130,345	69,635
GST	38,753	-
Prepayments	6,827	-
IPO prepayments	191,699	-
Advances to suppliers	21,165	-
R&D refund receivable	204,562	153,772
Total	**593,351**	**223,407**

In determining the recoverability of a trade receivable, the Company considers any changes in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the Directors believe that there is no requirement for a credit provision nor an allowance for impairment.

IPO prepayments represents amounts paid and payable as part of the IPO process. The IPO was completed subsequent to the year end and these were transferred to capital raising fees upon issuance of the shares.

NOTE 11: INVENTORIES

	30 June 2017 $	30 June 2016 $
Work in progress and parts	102,636	-
Finished goods	73,375	-
Total	**176,011**	**-**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 12: PROPERTY, PLANT AND EQUIPMENT

	Camera equipment $	Plant and equipment $	Office equipment $	Motor Vehicles $	Total $
Balance at 1 July 2015	1,678	2,967	4,747	11,080	20,472
Additions	13,725	5,013	15,285	-	34,023
Depreciation charge for the year	(2,311)	(1,337)	(5,465)	(2,770)	(11,883)
Balance at 30 June 2016	**13,092**	**6,643**	**14,567**	**8,310**	**42,612**
Balance at 1 July 2016	13,092	6,643	14,567	8,310	42,612
Additions	12,021	2,985	3,924	20,620	39,550
Disposal	(749)	-	-	(8,111)	(8,860)
Depreciation charge for the year	(6,009)	(1,497)	(7,191)	(4,874)	(19,571)
Balance at 30 June 2017	**18,355**	**8,131**	**11,300**	**15,945**	**53,731**

NOTE 13: INTANGIBLES

	30 June 2017 $	**30 June 2016 $**
Intangibles consist of patents and trademarks granted to the Company		
Balance at the beginning of the year	3,517	4,174
Amortisation during the year	(656)	(657)
Balance at end of year	**2,861**	**3,517**

Patents that have lapsed or are forfeited and are not rolled into new patents have been impaired and moved to an expense in the year the patents lapsed/expired.

NOTE 14: TRADE AND OTHER PAYABLES

	30 June 2017 $	**30 June 2016 $**
Bank overdrafts	-	2,325
Trade and other payables		
Accounts payable *(i)*	267,139	36,590
Accruals	31,330	36,648
Advances from customers	10,972	12,797
Unearned revenue	104,622	75,209
Share subscriptions received	25,000	-
Other payables	31,957	42,236
Total	**471,020**	**205,805**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 15: LOANS PAYABLE

	30 June 2017 $	30 June 2016 $
Loans payable	**-**	**13,480**

Loans payable represent amounts received from the Company's Director and key management personnel for working capital requirements. The loan from the Company's Director bears no interest. During the year ended 30 June 2016, the Company paid $667 as interest on the loan to the key management personnel (2015: 1,750). The loans were fully repaid on 9 February 2017.

NOTE 16: SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 25 July 2017, the Company closed the Offers under the Prospectus and issued 22,500,000 shares amounting to $4,500,000 (before costs) to the subscribers of the Share Offer and 5,500,000 unlisted options amounting to $55,000 (before costs) to the subscribers of the Option Offer.

On 25 July 2017, the Company also issued 1,000,000 shares and 1,000,000 performance rights to Alto Capital or their nominees pursuant to the Lead Manager Agreement.

On 28 July 2017, the Company was admitted to the Official List of ASX Limited, with official quotation commencing on 1 August 2017.

Other than noted above, there has been no additional matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

NOTE 17: DIVIDENDS

The directors of the Company have not declared any dividend for the years ended 30 June 2017 and 2016.

NOTE 18: COMMITMENTS

As at 30 June 2017, the Company had the following commitments:

	30 June 2017 $	30 June 2016 $
Lease commitments		
Not longer than 1 year	114,313	28,646
Longer than 1 year and shorter than 5 years	216,452	36,575
Total	**330,765**	**65,221**

The lease commitments refer to the lease of the following premises:

- (i) Unit 10/14 Merino Entrance, Cockburn Central WA 6164 (current head office);
- (ii) Unit 2/6 Merino Entrance, Cockburn Central WA 6164 (proposed new head office); and
- (iii) 20 Enterprise Way, Sunshine West VIC 3020 (Melbourne branch).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 19: FINANCIAL INSTRUMENTS

a) Overview
The Company's principal financial instruments comprise receivables, payables, cash and bank overdrafts. The main risks arising from the Company's financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency risk. This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Other than as disclosed, there have been no significant changes since the previous financial year to the exposure or management of these risks.

The Company manages its exposure to key financial risks in accordance with the Company's risk management policy. Key financial risks are identified and reviewed annually and policies are revised as required. The overall objective of the Company's risk management policy is to recognise and manage risks that affect the Company and to provide a stable financial platform to enable the Company to operate efficiently.

The Company does not enter into derivative transactions to mitigate the financial risks. In addition, the Company's policy is that no trading in financial instruments shall be undertaken for the purposes of making speculative gains. As the Company's operations change, the Directors will review this policy periodically going forward.

The Directors have overall responsibility for the establishment and oversight of the risk management framework. The Directors review and approve policies for managing the Company's financial risks as summarised below.

Categories of financial instruments

	30 June 2017	**30 June 2016**
	$	$
Financial assets		
Cash on hand and in bank	136,206	-
Trade and other receivables	593,351	223,407
Total	**729,557**	**223,407**
Financial liabilities		
Trade and other payables	471,020	205,805
Borrowings	-	13,480
Total	**471,020**	**219,285**

b) Capital risk management
The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company’s overall strategy remains unchanged from prior years. The capital structure of the Company consists of debt, cash and cash equivalents and equity, comprising issued capital, reserves and retained earnings (accumulated losses). Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

c) Credit Risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses publicly available financial information and its own trading record to rate its major customers.

The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 19: FINANCIAL INSTRUMENTS (continued)

c) Credit Risk (continued)
There are no significant concentrations of credit risk within the Company. The carrying amount of the Company's financial assets represents the maximum credit risk exposure, as represented below:

	30 June 2017 $	30 June 2016 $
Cash on hand and in bank	136,206	-
Trade and other receivables	593,351	223,407
Total	**729,557**	**223,407**

Trade and other receivables are comprised primarily of trade receivables, R&D and GST refunds due. Where possible the Company trades only with recognised, creditworthy third parties. It is the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

With respect to credit risk arising from cash and cash equivalents, the Company's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

d) Interest Rate Risk
The Company's exposure to the risk of changes in market interest rates relates primarily to the bank overdrafts with floating interest rate.

These financial assets with variable rates expose the Company to cash flow interest rate risk. All other financial assets and liabilities, in the form of receivables and payables are non-interest bearing.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	30 June 2017 $	30 June 2016 $
Interest-bearing financial instruments		
Bank balances	25,000	-
Bank overdrafts	-	(2,325)
Total	**25,000**	**(2,325)**

The Company currently does not engage in any hedging or derivative transactions to manage interest rate risk.

Interest rate sensitivity
A sensitivity of 0.1% (10 basis points) has been selected as this is considered reasonable given the current level of both short term and long term interest rates. A 1% (100 basis points) movement in interest rates at the reporting date would have increased (decreased) equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2017.

	Profit or loss	
	100bp Increase	100bp Decrease
30 June 2017		
Bank balances	**250**	**(250)**
30 June 2016		
Bank overdraft	**(23)**	**23**

NOTE 19: FINANCIAL INSTRUMENTS (continued)

e) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet its liabilities when due by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The contractual maturities of financial liabilities, including estimated interest payments, are provided below. There are no netting arrangements in respect of financial liabilities.

30 June 2017	**≤6 Months**	**6-12 Months**	**1-5 Years**	**≥5 Years**	**Total**
	$	**$**	**$**	**$**	**$**
Financial Liabilities					
Bank overdraft	-	-	-	-	-
Trade and other payables	471,020	-	-	-	471,020
Loans payable	-	-	-	-	-
Total	**471,020**	**-**	**-**	**-**	**471,020**

30 June 2016	**≤6 Months**	**6-12 Months**	**1-5 Years**	**≥5 Years**	**Total**
	$	**$**	**$**	**$**	**$**
Financial Liabilities					
Bank overdraft	2,325	-	-	-	2,325
Trade and other payables	203,480	-	-	-	203,480
Loans payable	13,480	-	-	-	13,480
Total	**219,285**	**-**	**-**	**-**	**219,285**

f) Foreign Exchange Risk

The Company's has an exposure to foreign exchange rates given that the Company purchases materials and parts from overseas suppliers as part of the manufacturing process of the solar camera systems. A fluctuation in foreign exchange rates may affect the cost base of the solar camera systems. The carrying amounts of the Company's foreign currency denominated monetary liabilities as at the reporting date expressed in Australian dollars are as follows:

	30 June 2017	**30 June 2016**
	$	**$**
US dollar denominated balances	**-**	3,467

Foreign currency sensitivity analysis
The sensitivity analysis below details the Company's sensitivity to an increase/decrease in the Australian Dollar against the United States Dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items. A 100 basis point is the sensitivity rate used when reporting foreign currency risk internally to management and represents management's assessment of the possible change in foreign exchange rates.

At reporting date, if foreign exchange rates had been 100 basis points higher or lower and all other variables held constant, the Company's loss will increase/decrease by $Nil (2016: $347); and net assets will increase/decrease by $Nil (2016: $347).

There were no outstanding foreign currency denominated liabilities as at 30 June 2017. The Company's sensitivity to foreign exchange rates has not changed significantly from prior year.

g) Fair values

The net fair value of financial assets and financial liabilities approximates their carrying value. The methods for estimating fair value are outlined in the relevant notes to the financial statements.

NOTE 20: CONTINGENT LIABILITIES

The Company had no contingent liabilities as at the reporting date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 21: SHARE-BASED PAYMENTS

a) Recognised Share-based Payment Expense
From time to time, the Company provides Incentive Options to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options granted, and the terms of the options granted are determined by the Board. Shareholder approval is sought where required. During the past two years, the following equity-settled share-based payments have been recognised:

	30 June 2017 $	30 June 2016 $
Expense arising from equity-settled share-based payment transactions	**28,500**	-
Net share based payment expense/(income) recognised in the profit or loss	**28,500**	-

b) Summary of Options Granted as Share-based Payments

The following table illustrates the number and weighted average exercise prices (WAEP) of Incentive Options granted as share-based payments at the beginning and end of the financial year:

	30 June 2017		30 June 2016	
	Number	**WAEP**	**Number**	**WAEP**
Outstanding at beginning of year	200,000	$1.00	200,000	$1.00
Granted by the Company during the year	2,850,000	0.20	-	-
Granted by the Company during the year	50,000	(1.50)	-	-
Cancelled during the year	(50,000)	(1.50)	-	-
Cancelled during the year	(200,000)	(1.00)	-	-
Outstanding at end of year	**2,850,000**	**$0.20**	**200,000**	**$1.00**

e) Option Pricing Model

The fair value of the equity-settled share options granted is estimated as at the date of grant using an internal valuation methodology taking into account the terms and conditions upon which the options were granted. In conjunction to the internal valuation model, the Board gave consideration to the market price for options being issued at arm's length during and since the end of the reporting date.

Options granted as share-based payments to consultants and employees were issued for nil consideration. However, these options were allocated a market value of $0.01 each, consistent with the option offer under the Prospectus issued on 19 June 2017.

NOTE 22: RELATED PARTY DISCLOSURES

The Group's related parties include Key Management and others as described below.

Transactions with Key Management Personnel
The aggregate compensation made to Directors and other Key Management Personnel of the Company is set out below:

	30 June 2017 $	30 June 2016 $
Short-term employee benefits	546,834	352,114
Share-based payment	10,500	-
Total	**557,334**	**352,114**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 22: RELATED PARTY DISCLOSURES (continued)

Other transactions with Key Management Personnel

No member of Key Management Personnel appointed during the period received a payment as part of his or her consideration for agreeing to hold the position.

The Company used the consultancy and management services of Richard Wilkins and Peter Holton through Space Nominees Pty Ltd and Chelsea Brook Pty Ltd, respectively, over which they exercise significant influence on. The amounts billed relating to their consultancy and management services, included in short-term employee benefits above, amounted to $380,000 (2016: $271,000). Total amount outstanding and payable as at 30 June 2017 for the abovementioned services amounted to $11,000 (2016: $16,500).

In addition, Dr Nick Le Marshall provided technical and development services through a related entity, Burtek Pty Ltd (Burtek) to the Company. During the year, a total of $126,585 was recognised as an expense by the Company for technical and development services, associated services and reimbursements (2016: $81,114). As at 30 June 2017, $8,348 is payable to Burtek (2016: $12,537).

NOTE 23: AUDITOR'S REMUNERATION

The auditor of Spectur Limited is HLB Mann Judd.

	30 June 2017	**30 June 2016**
	$	**$**
Audit or review of the financial statements*	29,000	-
Other services – Investigating Accountants' Report	10,000	-
Total	**39,000**	**-**

The audit fees paid and accrued in 2017 relate to the audits of the Company's financial statements for the years ended 30 June 2017, 2016 and 2015; and for the half year ended 31 December 2016.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Spectur Limited ("Spectur" or the "Company"):

   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Company's financial position as at 30 June 2017 and of its performance for the year then ended in accordance with the accounting policies described in the notes to the financial statements; and

      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2017.

This declaration is signed in accordance with a resolution of the board of Directors.

____
Charles Richard Wallace Wilkins
Director
Dated this 30 August 2017

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HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the Members of Spectur Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Spectur Limited ("the Company") which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

a) giving a true and fair view of the Company's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
b) 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 Company 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* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714

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Key Audit Matter	How our audit addressed the key audit matter
Going Concern Refer to Note 1(e)	
As at 30 June 2017, the Company had net assets of $286,578 and was in the process of preparing for listing on the Australian Stock Exchange. The going concern basis of accounting was a key audit matter due to the potential for a material uncertainty relating to this matter.	Our procedures included, but were not limited to: We noted that subsequent to year end completed its IPO and was admitted to the official list of the ASX, raising $4,550,000. We agreed the cash receipts to supporting documentation and assessed the reasonableness of forecast expenditure.
Recognition and Measurement – Revenue Refer to Note 1(h)	
This is a key audit matter as revenue is the most significant account balance in the statement of profit or loss and other comprehensive income. We focussed on this matter due to the size and nature of the transactions.	Our procedures included, but were not limited to: We performed substantive testing to ensure that revenue had been recognised accurately. We performed sales cut off testing to ensure revenue had been recorded in the correct period. We performed testing on unearned revenue to ensure that the balance was accurate.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report 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 Company 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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HLB Mann Judd

Accountants | Business and Financial Advisers

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 11 to 19 of the directors' report for the year ended 30 June 2017.

In our opinion, the Remuneration Report of Spectur Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

N G Neill
Partner

Perth, Australia
30 August 2017

SPECTUR LIMITED

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance summary discloses the extent to which the Company will follow the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations (3rd Edition) (**Recommendations**). The Recommendations are not mandatory, however the Recommendations that have not been followed have been identified and reasons have been provided for not following them.

The Company's Corporate Governance Plan has been posted on the Company's website at www.spectur.com.au.

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
Principle 1: Lay solid foundations for management and oversight		
Recommendation 1.1 A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes	Spectur has adopted a Board Charter which discloses the roles and responsibilities of the Board and senior management. Under the Board Charter, the Board is responsible for the overall operation and stewardship of Spectur (and any future subsidiaries), including charting the direction, strategies and financial objectives for Spectur, monitoring the implementation of those policies, strategies and financial objectives, and monitoring compliance with regulatory requirements and ethical standards. The Board Charter is available on Spectur's website.
Recommendation 1.2 A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information relevant to a decision on whether or not to elect or re-elect a director.	Yes	Spectur will conduct background checks of candidates for new Director positions prior to their appointment or nomination for election by Shareholders, including checks as to good character, experience, education, qualifications, criminal history and bankruptcy. Spectur does not propose to conduct specific checks prior to nominating an existing Director for re-election by Shareholders at a general meeting on the basis that this is not considered necessary given that each Director was required to submit to the ASX 'good fame and character' assessment during Spectur's admission to the Official List of ASX. As a matter of practice, Spectur will include in its notices of meeting a brief biography and other material information in relation to each Director who stands for election or re-election, including relevant qualifications and professional experience of the nominated Director for consideration by Shareholders.
Recommendation 1.3 A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Spectur engages or employs its Directors and other senior management under written agreements setting out key terms and otherwise governing their engagement or employment by Spectur. Each Executive Director is employed pursuant to a written employment agreement and each Non-Executive Director is engaged under an engagement letter.

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
Recommendation 1.4 The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Company Secretary reports directly, and is accountable, to the Board through the Chairperson in relation to all governance matters. The Company Secretary advises and supports the Board members on general governance matters, implements adopted governance procedures, and coordinates circulation of meeting agendas and papers.
Recommendation 1.5 A listed entity should: (a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: (1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or (2) if the entity is a "relevant employer" under the *Workplace Gender Equality Act*, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.	No	Given Spectur's size and its stage of development, Spectur has not adopted a formal diversity policy at this stage. Spectur has a policy to select the best available officers and staff for each relevant position in a non-discriminatory manner based on merit. Notwithstanding this, the Board respects and values the benefits that diversity (e.g. gender, age, ethnicity, cultural background, disability and martial/family status etc) brings in relation to expanding Spectur's perspective and thereby improving corporate performance, increasing Shareholder value and maximising the probability of achieving Spectur's objectives. The Board is committed to developing a diverse workplace where appointments or advancements are made on a fair and equitable basis.
Recommendation 1.6 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	Spectur has adopted in its Board Charter a process for evaluation of the Board, its committees and individual Directors. This process is conducted by the Board. The Board also performs a complementary function under the Nomination and Remuneration Policy. Following admission to ASX, Spectur will disclose if a performance evaluation has been conducted.

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
Recommendation 1.7 A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	The Nomination and Remuneration Policy provides that the Board will undertake performance evaluation of the Directors and senior management on at least an annual basis. Following admission to ASX, Spectur will disclose if a performance evaluation has been conducted.
Principal 2: Structure the Board to add value		
Recommendation 2.1 The board of a listed entity should: (a) have a nomination committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	No	Spectur does not have a nomination committee at this stage. The Board considers that, given the current size and scope of Spectur's operations, efficiencies or other benefits would not be gained by establishing a separate nomination committee. The full Board, which comprises 2 Executive Directors and 2 Non-Executive Directors, considers the matters and issues that would otherwise be addressed by a nomination committee in accordance with Spectur's Nomination and Remuneration Policy. Under the Board Charter, candidacy for the Board is based on merit against objective criteria with a view to maintaining an appropriate balance of skills and experience. As a matter of practise, candidates for the office of Director are individually assessed by the Chairperson and the Managing Director before appointment or nomination to ensure that they possess the relevant skills, experience or other qualities considered appropriate and necessary to provide value and assist in advancement of Spectur's operations. The Board intends to reconsider the requirement for, and benefits of, a separate nomination committee as Spectur's operations grow and evolve.
Recommendation 2.2 A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	No	Spectur does not currently have a skills or diversity matrix in relation to the Board members. The Board considers that such a matrix is not necessary given the current size and scope of Spectur's operations. The Board may adopt such a matrix at a later time as Spectur's operations grow and evolve.

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
Recommendation 2.3 A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in the Corporate Governance Recommendations but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Yes	Disclosure of the names of Directors considered by the Board to be independent are as follows: Stephen Bodeker and Andrew Hagen are considered to be independent Directors. Details of the Directors' interests, positions, associations and relationships are provided in the Remuneration Report section of the Annual Report. The length of service of each Director is as follows: • Richard Wilkins – since 22 October 2009; • Peter Holton – since 9 March 2017; • Stephen Bodeker – since 9 June 2017; and • Andrew Hagen – since 9 June 2017.
Recommendation 2.4 A majority of the board of a listed entity should be independent directors.	No	The Board is not comprised of a majority of independent Directors. There are currently 2 Directors who satisfy the criteria for independence for the purposes of ASX Recommendation 2.3, being Stephen Bodeker and Andrew Hagen. These members represent half of the Board. However, given the size and scope of Spectur's operations, the Board considers that it has relevant experience in industrial technology, sales and is otherwise appropriately structured to discharge its duties in a manner that is in the best interests of Spectur and its Shareholders from both a long-term strategic and operational perspective. The Board Charter provides that it is preferable that the majority of the Board be independent Non-Executive Directors. Accordingly, the Board intends to appoint further independent Non-Executive Directors as suitably qualified candidates are identified and when Spectur’s operations warrant such appointments.
Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	The Board does not consider that the Chairman of Spectur, Richard Wilkins, is independent with the criteria for independence outlined in ASX Recommendation 2.3. The Board does not consider that an independent non-executive chair is necessary given Spectur’s current size and scope of operations. As it develops and its operations expand, the Board will review this position. The Managing Director, Peter Holton, is the chief executive officer and is not the Chairperson, which is in compliance with Recommendation 2.5.

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
Recommendation 2.6 A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	No	Spectur does not currently have a formal induction program for new Directors nor does it have a formal professional development program for existing Directors. The Board does not consider that a formal induction program is necessary given the current size and scope of Spectur's operations. The Directors have been selected on the basis that collectively they have experience across business management, product design and development, industrial technology (including electronics and telecommunications), product sales and marketing, finance and accounting. Mr Bodeker and Mr Hagen also have experience with management of an ASX listed company. All Directors are generally experienced in company operations, albeit in different aspects (e.g. operations, finance, corporate governance etc.). The Board seeks to ensure that all of its Shareholders understand Spectur's operations. Directors also attend, on behalf of Spectur and otherwise, technical and commercial seminars and industry conferences which enable them to maintain their understanding of industry matters and technical advances.
Principal 3: Act ethically and responsibly		
Recommendation 3.1 A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	Yes	The Board believes that the success of Spectur has been and will continue to be enhanced by a strong ethical culture within the organisation. Accordingly, Spectur has established a Code of Conduct which sets out the standards with which the Directors, officers, managers, employees and consultants of Spectur (and any future subsidiaries of Spectur) are expected to comply in relation to the affairs of Spectur's business and when dealing with each other, Shareholders and the broader community. The Code also outlines the procedure for reporting any breaches of the Code and the possible disciplinary action Spectur may take in respect of any breaches. In addition to their obligations under the Corporations Act in relation to inside information, all Directors, employees and consultants have a duty of confidentiality to Spectur in relation to confidential information they possess. In fulfilling their duties, each Director dealing with corporate governance matters may obtain independent professional advice at Spectur's expense, subject to prior approval of the Managing Director, whose approval will not be unreasonably withheld. Spectur's Code of Conduct is available on Spectur's website.

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
Principal 4: Safeguard integrity in corporate reporting		
Recommendation 4.1 The board of a listed entity should: (a) have an audit committee which: (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	No	Spectur has not established a separate audit committee. The audit function is performed by the full Board pursuant to the Audit Policy. The Board does not consider that a separate audit committee is necessary given the current size and scope of Spectur's operations and its Board. The Audit Policy is available on Spectur's website.
Recommendation 4.2 The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	As a matter of practise, Spectur obtains declarations from its Managing Director and Company Secretary before its financial statements are approved substantially in the form referred to in ASX Recommendation 4.2.
Recommendation 4.3 A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	Yes	In accordance with Spectur's Shareholder Communications Policy, Spectur will request that its external auditor attends each annual general meeting and be available to answer Shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
Principal 5: Make timely and balanced disclosure		
Recommendation 5.1 A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Yes	Spectur has adopted a Continuous Disclosure and Market Communications Policy. Spectur is a “disclosing entity” pursuant to section 111AR of the Corporations Act and, as such, is required to comply with the continuous disclosure requirements of section 674 of the Corporations Act and Chapter 3 of the ASX Listing Rules. Spectur is committed to observing its disclosure obligations under the Corporations Act and its obligations under the ASX Listing Rules. All announcements provided to ASX will be posted on Spectur’s website. The Continuous Disclosure and Market Communications Policy is available on Spectur’s website.
Principal 6: Respect the rights of security holders		
Recommendation 6.1 A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about Spectur and its corporate governance, including copies of its various corporate governance policies and charters, is available on Spectur’s website.
Recommendation 6.2 A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	Spectur has adopted a Shareholder Communications Policy, the purpose of which is to facilitate the effective exercise of Shareholders’ rights by communicating effectively with Shareholders, giving Shareholders ready access to balanced and understandable information about Spectur and its corporate strategies and making it easy for Shareholders to participate in general meetings of Spectur. Spectur communicates with Shareholders as follows: • following admission to ASX, through releases to the market via the ASX; • through Spectur’s website; • through information provided directly to Shareholders; and • at general meetings. The Shareholder Communications Policy is available on Spectur’s website.
Recommendation 6.3 A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Spectur supports Shareholder participation in general meetings and seeks to provide appropriate mechanisms for such participation, including by ensuring that meetings are held at convenient times and places to encourage Shareholder participation.

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
		In preparing for general meetings of Spectur, Spectur will draft the notice of meeting and related explanatory information so that they provide all of the information that is relevant to Shareholders in making decisions on matters to be voted on by them at the meeting. This information will be presented clearly and concisely so that it is easy to understand and not ambiguous. Spectur will use general meetings as a tool to effectively communicate with Shareholders and will allow Shareholders a reasonable opportunity to ask questions of the Board and to otherwise participate in the meeting. Mechanisms for encouraging and facilitating Shareholder participation will be reviewed regularly to encourage the highest level of Shareholder participation.
Recommendation 6.4 A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Spectur considers that communicating with Shareholders by electronic means is an efficient way to distribute information in a timely and convenient manner. Spectur provides new Shareholders with the option to receive communications from Spectur electronically and Spectur encourages them to do so. Existing Shareholders are also encouraged to request communications electronically. All Shareholders that have opted to receive communications electronically will be provided with notifications by Spectur when an announcement or other communication (including an annual reports and notice of meeting) is uploaded to the ASX announcements platform.
Principal 7: Recognise and manage risk		
Recommendation 7.1 The board of a listed entity should: (a) have a committee or committees to oversee risk each of which: (1) has at least three members, a majority of whom are independent directors; an (2) is chaired by an independent director, and disclose (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or	No	Spectur does not have a separate risk management committee. The Board is responsible for supervising management's framework of control and accountability systems to enable risk to be assessed and managed in accordance with Spectur's Risk Management Policy. The Board considers that, given the current size and scope of Spectur's operations and that only two Directors hold executive positions, efficiencies or other benefits would not be gained by establishing a separate risk management committee at present. As Spectur's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate risk management committee.

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		However, Spectur has adopted a Risk Management Policy for Spectur. The purpose of the policy is to: • provide a framework for identifying, assessing, monitoring and managing risk; • communicate the roles and accountabilities of participants in the risk management system; and • highlight the status of risks to which Spectur is exposed, including any material changes to Spectur's risk profile. Further, the Board is responsible for the following under the policy: • risk management and oversight of internal controls; • establishing procedures which provide assurance that business risks are identified, consistently assessed and adequately addressed; and • for the overseeing of such procedures. The Risk Management Policy is available on Spectur's website.
Recommendation 7.2 The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	The Board has responsibility for the monitoring of risk management and will review Spectur's risk management framework on an annual basis to ensure Spectur's risk management framework continues to be effective. Disclosure of the outcome of the annual risk management review will be included in the annual report.
Recommendation 7.3 A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	No	Spectur does not currently have an internal audit function. This function is undertaken by relevant staff under the direction of the full Board. Spectur has adopted internal control procedures pursuant to its Risk Management Policy. Spectur's internal controls include the following: • Spectur has authorisation limits in place for expenditure and payments; • a Director or senior manager must not approve a payment to themselves or a related party, other than standard salary/directors fees in accordance with their Board approved remuneration; • Spectur prepares cash flow forecasts which include materiality thresholds and which are regularly reviewed; and

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
		• Spectur regularly reviews its other financial materiality thresholds. The Board and senior management are charged with evaluating and considering improvements to Spectur's risk management and internal control processes on an ongoing basis. The Board considers that an internal audit function is not currently necessary given the current size and scope of Spectur's operations. As Spectur's operations grow and evolve, the Board will reconsider the appropriateness of adopting an internal audit function.
Recommendation 7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	Spectur's primary activity is sale and distribution of security surveillance products and services. These activities do not expose Spectur to any particular economic, environmental or social sustainability risks not faced by all other participants in an open economy. The Board will consider on an on-going basis whether Spectur has any particular exposure to material economic, environmental and social sustainability risks and, if identified, Spectur will include details in its annual report.
Principal 8: Remunerate fairly and responsibly		
Recommendation 8.1 The board of a listed entity should: (a) have a remuneration committee which: (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	No	Spectur has not established a separate remuneration committee. The role of the remuneration committee is undertaken by the full Board. The Board considers that, given its current size and that only two Directors hold executive positions in Spectur, efficiencies or other benefits would not be gained by establishing a separate remuneration committee. Spectur has set out the remuneration paid or provided to Directors and senior executives annually in the remuneration report contained within this Annual Report to Shareholders. The full Board determines all compensation arrangements for Directors. It is also responsible for setting performance criteria, performance indicators, share option schemes, incentive performance schemes, superannuation entitlements, retirement and termination entitlements and professional indemnity and liability insurance cover. As Spectur's operations grow and evolve, the Board will reconsider the appropriateness of forming a separate remuneration committee. The Nomination and Remuneration Policy is available on Spectur's website.

ASX Principle and Recommendation	Compliance (Yes/No)	Explanation
Recommendation 8.2 A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Spectur's policies and practices regarding the remuneration of Executive and Non-Executive Directors and other senior management are set out in the Remuneration Report contained in this Annual Report for each financial year.
Recommendation 8.3 A listed entity which has an equity-based remuneration scheme should: **(a)** have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and **(b)** disclose that policy or a summary of it.	Yes	Spectur has adopted an Employee Incentive Plan. In accordance with Spectur's Securities Trading Policy, the plan does not allow participants to enter transactions that would limit their economic risk under the scheme. Spectur's Securities Trading Policy sets out the circumstances in which the Directors, executives, employees, contractors, consultants and advisors (**Designated Persons**) are prohibited from dealing in Spectur's Securities. The policy provides that where a Designated Person is entitled to equity-based remuneration arrangements, that Designated Person must not at any time enter into a transaction (e.g. writing a call option) that operates or is intended to operate to limit the economic risk of holdings of unvested Spectur Securities or vested Spectur Securities which are subject to a holding lock. The Securities Trading Policy is available on Spectur's website.

SPECTUR LIMITED

ADDITIONAL SECURITIES INFORMATION

SHAREHOLDER INFORMATION

The security holder information set out below was applicable as at 2 August 2017.

1) Quoted Securities – Fully Paid Ordinary Shares

There is one class of quoted securities, being fully paid ordinary shares.

a) Distribution of Security Number

Category	Ordinary Shares	
(Size of holding)	Shareholders	Shares
1 – 1,000	-	-
1,001 – 5,000	1	5,000
5,001 – 10,000	66	660,000
10,001 – 100,000	329	13,388,750
100,001 and over	74	26,946,250
Total	470	41,000,000

There are 470 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

b) Marketable parcel

There are no shareholders with less than a marketable parcel (basis price $0.40).

c) Voting rights

On a show of hands every person present who is a member or a proxy, attorney or representative of a member has one vote and upon a poll every person present who is a member or a proxy, attorney or representative of a member shall have one vote for each share held

d) Substantial Shareholders

There was one substantial shareholder listed on the Companies register as at 2 August 2017, being Gillian Woodford<The Woodford Family A/C>, holding 2,500,000 fully paid ordinary shares, being 6.10% of the fully paid ordinary shares on issue.

e) On market buy-back

There is no on-market buy-back scheme in operation for the company's quoted shares or quoted options.

ASX ADDITIONAL INFORMATION (continued)

SHAREHOLDER INFORMATION (continued)

f) Top 20 security holders

The names of the twenty largest holders of each class of quoted equity security, being fully paid ordinary shares, the number of equity security each holds and the percentage of capital each holds is as follows:

Number	Shareholder Name / Entity	Number of Ordinary Shares	% of Issued Capital
1	Gillian Woodford <The Woodford Family A/C>	2,500,000	6.10
2	Mr. Peter Anthony	2,000,000	4.88
3	Charles Richard Wallace Wilkins	1,592,500	3.88
4	Peter William Holton & Sarah Jane Frances Holton <Holton Family S/F A/C>	1,570,000	3.83
5	Pabasa Pty Ltd <Kehoe Family Super A/C>	1,125,000	2.74
6	Oldview Enterprises Pty Ltd	1,065,785	2.60
7	Lee Nicola John Rinaldi & Carol Angus Rinaldi <Leeca Superannuation A/C>	1,000,000	2.44
7	Basapa Pty Ltd <Kehoe Family A/C>	1,000,000	2.44
8	DRP 2006 Super Pty Ltd	717,500	1.75
9	Gasmere Pty Ltd	715,000	1.74
10	Vadlamudi (Medical) Pty Ltd	712,500	1.74
11	Cobblestones Corporate Pty Ltd	665,000	1.62
12	Sovran Resources Pty Ltd	540,000	1.32
12	Judith Van Ross	540,000	1.32
13	Gillian Woodford <Dewcorp Supper Annuation A/C>	500,000	1.22
13	Tri Budihastuti	500,000	1.22
14	Lee Miller Investments Pty Ltd <DM & L Investment A/C>	425,000	1.04
15	Risbec Corporation Pty Ltd	395,000	0.96
16	Mr. Edward Max Dozak	365,000	0.89
17	Gail Garrity Pty Ltd	356,250	0.87
18	Shipley Nominees Pty Ltd	350,000	0.77
19	Ms Rosemary Paterson	315,000	0.76
20	Pershing Australia Nominees Pty Ltd <Accum A/C>	310,500	0.76
Total		**19,260,035**	**46.98**

ASX ADDITIONAL INFORMATION (continued)

SHAREHOLDER INFORMATION (continued)

2) Unquoted Securities – Company Options and Performance Shares

There are two classes of quoted securities, being Company Options and Performance Rights.

2A) Company Options

a) Distribution of unquoted Options holder numbers

Category (Size of holding)	Ordinary Options Option holders	Ordinary Options Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	5	50,000
10,001 – 100,000	45	2,796,250
100,001 and over	22	11,503,750
Total	72	14,350,000

There are 72 holders of Company Options.

b) Voting rights

Unlisted options do not entitle the holder to any voting rights.

c) Holders of more than 20% of unquoted options.

There are no holders, holding more than 20% of the unquoted options on issue.

2B) Performance Rights (Tranche 1, Tranche 2 & Tranche 3)

a) Distribution of unquoted Performance Rights (Tranche 1, Tranche 2 & Tranche 3)

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Category	Performance Rights Tranche 1		Performance Rights Tranche 2		Performance Rights Tranche 3	
(Size of holding)	Shareholders	Shares	Shareholders	Shares	Shareholders	Shares
1 – 1,000	-	-	-	-	-	-
1,001 – 5,000	-	-	-	-	-	-
5,001 – 10,000	-	-	-	-	-	-
10,001 – 100,000	-	-	-	-	-	-
100,001 and over	5	7,000,000	5	7,000,000	5	7,000,000
Total	5	7,000,000	5	7,000,000	5	7,000,000

There are 5 holders of Performance Rights (Tranche 1, Tranche 2, and Tranche 3).

ASX ADDITIONAL INFORMATION (continued)

SHAREHOLDER INFORMATION (continued)

b) Voting rights

Unlisted Performance Rights (Tranche 1, Tranche 2, and Tranche 3) do not entitle the holder to any voting rights.

c) Holders of more than 20% of unquoted Performance Rights (Tranche 1, Tranche 2, Tranche 3)

- Performance Rights Tranche 1: Richard Wilkins owns 3,333,333 rights which is equal to 47.62% of the Performance Rights Tranche 1 on issue. Peter Holton also owns 3,333,333 rights which is equal to 47.62% of the Performance Rights Tranche 1 on issue.
- Performance Rights Tranche 2: Richard Wilkins owns 3,333,334 rights which is equal to 47.62% of the Performance Rights Tranche 2 on issue. Peter Holton also owns 3,333,333 rights which is equal to 47.62% of the Performance Rights Tranche 2 on issue.
- Performance Rights Tranche 3: Richard Wilkins owns 3,333,333 rights which is equal to 47.62% of the Performance Rights Tranche 3 on issue. Peter Holton also owns 3,333,334 rights which is equal to 47.62% of the Performance Rights Tranche 3 on issue.

OTHER ASX INFORMATION

1. Corporate Governance

A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the year is contained in page 52.

This corporate governance statement is current as at the Company's reporting date and has been approved by the Board of the Company.

2. Stock exchange on which the Company's securities are quoted:

The Company's listed equity securities are quoted on the Australian Stock Exchange.

3. Review of Operations

A review of operations is contained in the Directors' Report.

4. Consistency with business objectives - ASX Listing Rule 4.10.19

In accordance with Listing Rule 4.10.19, the Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives. The business objective is primarily to develop, manufacture and sell Remote 3G/4G based security camera networks and associated products and services.

The Company believes it has used its cash in a consistent manner to which was disclosed under the prospectus dated 19 June 2017.

OTHER ASX INFORMATION (continued)

5. Restricted Securities

Class	Number Escrowed	Date Escrow Period Ends
Fully Paid Ordinary Shares (FPOS) comprising:		
700,000 FPOS issued on 30/01/2017	700,000	30/01/2018
2,250 FPOS issued on 27/01/2017	2,250	27/01/2018
3,661,957 FPOS issued on various dates	3,661,957	28/07/2019
Total FPOS escrowed	4,364,207	n/a
Unquoted Options (all options are exercisable at $0.20 on or before 31/12/2020) comprising:		
4,005,000 options issued on 25/07/2017	4,005,000	25/07/2018
200,000 options issued on 09/06/2017	200,000	09/06/2018
8,705,000 options issued on various dates	8,705,000	28/07/2019
Total Options escrowed	12,910,000	n/a
Performance Rights (PR) comprising:		
7,000,000 PR Tranche 1 issued on various dates	7,000,000	28/07/2019
7,000,000 PR Tranche 2 issued on various dates	7,000,000	28/07/2019
7,000,000 PR Tranche 3 issued on various dates	7,000,000	28/07/2019
Total Performance Rights escrowed	21,000,000	n/a