Spectur Limited

Appendix 4E

Preliminary Financial Report- For the year ended 30 June 2019
(Previous corresponding period: Year ended 30 June 2018)

Results for announcement to the market

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

	30 June 2019 Current Year $	*Percentage Change Up /(Down)*	Change Up /(Down) $	30 June 2018 Previous Corresponding Year $
Revenue from ordinary activities	4,818,130	95%	2,341,629	2,476,501
Loss from ordinary activities after tax	(2,608,167)	21%	710,876	(3,319,043)
Net Loss for the period attributable to members	(2,608,167)	21%	710,876	(3,319,043)

Commentary on the above figures is included in the attached Annual Financial Report for the year ended 30 June 2019.

2. **Statement of Profit and Loss and other comprehensive income**
   Refer to attached Annual Financial Report – 30 June 2019.

3. **Statement of financial position**
   Refer to attached Annual Financial Report – 30 June 2019.

4. **Statement of cash flows**
   Refer to attached Annual Financial Report – 30 June 2019.

5. **Statement of changes in equity / retained earnings**
   Refer to attached Annual Financial Report – 30 June 2019.

6. **Dividend payments**
   Refer to attached Annual Financial Report – 30 June 2019.
   The Company does not propose to pay any dividends in the current year.

7. **Dividend reinvestment plans**
   The Company does not have a dividend reinvestment plan.

This Appendix 4E Annual Report is provided to the ASX under Listing Rule 4.3 and should be read in conjunction with the accompanying Financial Report for the year ended 30 June 2019.

8. Net tangible assets per security

	Current Year (30 June 2019)	Previous Corresponding Year (30 June 2018)
Net tangible asset per ordinary share	3.68 cents	8.69 cents

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

Not applicable

10. Details of Associates and joint ventures

Not applicable

11. Other significant information

Not applicable

12. Foreign entities – Accounting Standards

Not applicable.

13. Results for the period

Refer to the Directors report in the attached Annual Report.

14. Statement on the financial statements

The financial statements are based on audited accounts.

15. Unaudited accounts

Not applicable.

16. Status of audit

The Financial Report for the year ended 30 June 2019 has been audit reviewed and is not subject to dispute or qualification.

Spectur Limited

ACN 140 151 579

Annual Financial Report
30 June 2019

Content

Directors
Mr Darren John Cooper
Mr Gerard John Dyson
Mr Stephen Paul Bodeker
Mr Andrew Mark Hagen

Company Secretary
Suzie Jayne Foreman

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Cockburn Central WA 6164
Telephone: 1300 802 960

Solicitors
Blackwall Legal LLP
Level 26, 140 St Georges Terrace,
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Chairman's Review

Dear Fellow Shareholder,

It is my pleasure to present the 2019 Annual Report for Spectur Limited ("Spectur" or the "Company", ASX:SP3).

The 2019 financial year has been one of change and growth for Spectur.

In October 2018, I assumed the role of Non-Executive Board Chair following the resignation of Richard Wilkins, the previous Executive Chairman and Co-Founder of Spectur. I was already familiar with the Spectur business, having invested prior to, and on the Company's Initial Public Offer. Shareholders will recall that I elected to take my first 6 months' remuneration as shares in lieu of cash.

In April 2019, the Board appointed Gerard Dyson as Executive General Manager and incoming Managing Director with effect from 1 July 2019, with previous Managing Director and Spectur Co-Founder Peter Holton transitioning into a part-time role with the business following the cessation of his fixed term contract.

In June 2019, the Company undertook a capital raising, via a placement to sophisticated and professional investors, to raise $1.59 million (before fees), a placement which has strengthened the Company's balance sheet and provided the Company with the flexibility to accelerate its strategic objectives. Our new Managing Director Gerard Dyson and I both participated in the placement, which was finalised post 30 June 2019.

Raised capital will be used to improve the performance of the existing inbound sales channels and also build a new outbound channel, that will focus on larger, higher value customers. Additional strategic use of capital will be applied to building a proactive customer outreach program and preparation, research and development of the next generation of Spectur solutions.

Combined with an increased culture of focus, and corporate and fiscal discipline, your Board believes that Spectur is well-placed to capitalise on its next wave of growth, and I look forward to bringing you updates on our performance throughout this new financial year.

In closing, I'd like to take this opportunity to thank both Richard Wilkins and Peter Holton for the significant roles they've both played in laying the foundations for Spectur's success to date and a pathway for future growth. Both of them remain as the Company's largest shareholders and are willing to lend their advice and learnings whenever called upon by the current Board and management.

And finally, to my fellow Board members, our Company Secretary and the staff of Spectur – on behalf of all shareholders I extend our thanks for their tireless efforts, passion and commitment.

Darren Cooper
Non-Executive Board Chair

Managing Directors' Review

Dear Fellow Shareholder,

It gives me great pleasure to write to you for the first time in my capacity as Managing Director of Spectur. I have been leading this great innovative company for approximately 8 weeks and in the engine room since April 2019. In this short time, I have become even more excited about the opportunities that lie ahead.

Providing more than products

Spectur has always had a tremendous product platform, with best in class performance in the areas of detection, false alarm reduction and customisation. We deliver value to our customers not just through high-quality products but also crucial solutions tailored to the specific challenges they face. Whether it is preventing crime, providing an ability to see or sense what is going on in remote locations, or warning people about potential harm, the Spectur solutions make a truly valuable difference. Importantly, the value that we create or preserve is typically an order of magnitude greater than the cost of our solutions, making our value proposition highly desirable. Through the combination of our expertise in the fields Internet of Things (IoT), camera devices, cloud storage, data management, services and software applications, we don't just provide products; we provide solutions.

A recent example of this has been the success of the thermal deterrence solution that we deployed last financial year. These systems are able to "see" more than 200m in the dark, massively extending the range of detection and deterrence of intruders into facilities with long perimeters. Combined with our robust connectivity to the internet, cloud storage and notification and monitoring systems, we can provide 24-hour perimeter security and deterrence for a fraction of the cost of comparable wired or optical systems. We have received multiple orders with a value greater than $100,000 per solution in the last six months and expect this momentum to continue to build.

A solid FY19 paves the way for future growth

FY19 delivered revenues in excess of $4.8m, double the result from FY18. Cash consumption has been steadily reducing and we have a robust strategic plan and a talented team able to continue to improve the performance of the Company.

In Q4 2019, the Company achieved record revenue and cash collection, underpinned by record system sales and rentals. The increasing revenues also reflect the growing contribution of higher-margin recurring income. As this component of revenue trends towards 20% of overall revenue, with annualised customer turnover below 17%, we expect increasing associated stability in our earnings. We look forward to improving upon the success of Q4 FY19 in FY20 and beyond.

Sharpening our sector focus

Approximately 40% of our business comes from the Australian building and construction sector, which continues to face challenges of varying degrees in each state. With crime and disruption in this space increasing over the same period, Spectur continues to be able to provide market-leading and cost-effective sales and rental solutions for this market and anticipates that there remains substantial space for growth in this sector. Our inbound sales organisation is being optimised to respond to this market.

Our second largest sector is the government and utilities space which currently represents approximately 30% of our business. We have fewer competitors in this space, the barriers to entry are greater, order sizes are larger, and the performance of our solutions are more rigorously tested than in building and construction. We will be focusing outbound sales efforts on growing our penetration in this sector.

Three strategic pillars in FY20

After a solid performance in FY19, we have entered the new financial year with renewed and sharpened strategic and operational focus which brings confidence for the financial year ahead. In FY20, our strategy has three key pillars

1. Build our outbound sales organisation and improve performance of existing inbound sales and marketing.
2. Build our customer outreach program to generate insights that can feed our research & development team, marketing and sales groups.
3. Develop our research & development plans to narrow our choices for the next phases of technological expansion.

The first two elements will underpin our journey towards margin growth and cash generation and the third will help us make the best of a plethora of attractive future growth opportunities.

Within our operations we have taken some actions in recent months to restructure around our strategic direction, reducing costs and building greater focus on reaching long term profitability soon. This shift to a more prudent and cost-conscious culture will continue over the next period as we review and challenge our internal costs as well as of those of our suppliers and partners to ensure we are getting the best value at the lowest possible price.

Managing Directors' Review

It is exciting to be leading a business that has attractive avenues for growth in technology, customer sectors and geographies. Spectur is much more than a security products company. We have a foundation in IoT, video analytics and reliable solar-powered computing and connectivity platforms. The sky is the limit. Thanks for continuing with us on this journey.

Sincerely,

Gerard Dyson
Managing Director

Directors' Report

The Board of Directors of Spectur Limited present their report on Spectur Limited ("Company" or "Spectur") for the year ended 30 June 2019.

Directors and Officers

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

Darren John Cooper	Non-Executive Chairman	Appointed 5 October 2018
Charles Richard Wallace Wilkins	Executive Chairman	Resigned 5 October 2018
Gerard John Dyson	Managing Director	Appointed 1 July 2019
Peter William Holton	Managing Director	Resigned 30 June 2019
Stephen Paul Bodeker	Non-Executive Director	
Andrew Mark Hagen	Non-Executive Director	
Suzie Jayne Foreman	Company Secretary	

Current Directors and Officers

Mr Darren John Cooper	Independent Non-Executive Chairman
Qualifications	B.Bus (Curtin), Masters of Applied Finance (Macquarie), Australian Institute of Company Directors graduate.
Length of Service	10 months
Experience	Darren Cooper spent in excess of 20 years with various companies in management and senior executive roles. Darren now holds a number of Board and Strategic Advisory roles across a range of industries including property, construction, labour hire, professional services and telecommunications. He is also an investor in and director of a range of technology & media-based start-up businesses.
Special Responsibilities	Chairman of the Remuneration Committee

Gerard John Dyson	Managing Director
Qualifications	B.Eng (Hons, Civil), B.Com (Mgmt, Mktg), PhD (Geotechnical Engineering) from the University of Western Australia, Adv Dip Bus from Federation University, Graduate of the Australian Institute of Company Directors.
Length of Service	2 months as Managing Director
Experience	Gerard Dyson is a seasoned Managing Director and prior to joining Spectur held the role of Executive Vice President and Regional Managing Director, Americas for Advisian, a global consulting and advisory firm of Worley Limited (ASX:WOR), from 2015 to 2018. Dr Dyson has held a number of global, regional and local roles with Worley in Australia, USA, Canada, Latin America, Asia and the Middle East, including as Group Managing Director, Infrastructure in 2014 to 2015 and Director of Consulting, Australia & New Zealand from 2011 to 2014. Dr Dyson has also led sales teams, developed and implemented strategy and has strong experience in infrastructure, environment, mining, power and chemicals sectors.
Special Responsibilities	N/A

Mr Stephen Paul Bodeker	Independent Non-Executive Director
Qualifications	Bachelor of Accounting Science from the University of South Africa, associate member of the South African Institute of Chartered Accountants, practicing CPA, a member of the Chartered Institute of Management Accountants and a fellow of the Governance Institute of Australia.
Length of Service	2 years
Experience	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 Early Start Australia 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.
Special Responsibilities	Remuneration Committee member
Mr Andrew Mark Hagen	Independent Non-Executive Director
Qualifications	Bachelor of Commerce (Property and Finance)
Length of Service	2 years
Experience	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. Mr Hagen is also a director of Track'em and Nicheliving Holdings Limited.
Special Responsibilities	Remuneration Committee member

Directorships of other listed companies
Directorships of other listed companies held by directors currently and in the 3 years immediately before the end of the financial year are as follows:

Name	*Company*	*Period of directorship*
Mr Darren John Cooper	GO2 People Limited	28 July 2017 - date
Dr Gerard John Dyson	-	-
Mr Peter William Holton	-	-
Mr Stephen Paul Bodeker	-	-
Mr Andrew Mark Hagen	Cycliq Group Limited	29 Nov 2016 – 28 Apr 2017

Company Secretary for the reporting period

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.

Principal activities

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

Operating and Financial Review

Results of Operations

For the year ended 30 June 2019, Spectur reported total revenue of $4.8M, up 95% on the corresponding prior year revenue of $2.5M, underpinned by customer retention and growth in the customer base.

Gross margins increased to 59% in FY2019 from 50% in the prior year, as the Company worked to improve efficiencies and reduce input costs.

Loss before Interest, Tax and Depreciation and Amortisation (EBITDA) fell to $2.59M from the prior period loss of $3.76M. After taking into account one-off restructuring costs for the period the FY19 EBITDA loss was reduced further to $2.1M.

Spectur's balance sheet remains strong with minimal debt of $200k and a strong cash balance of $1.3M at year end (2018: $3.5M). Cash assets were strengthened further by the $1.3M remaining placement funds received post year end.

The comprehensive loss for the year ended 30 June 2019, after providing for income tax, amounted to $2.6M (2018:$3.3M).

Dividends

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

Significant events during the year

On 5 October 2018, the Company appointed a new non-executive chairman, Mr Darren Cooper, at which time Mr Wilkins, the Company's previous executive chairman and founder, stepped down from the role. The Board reviewed its composition and considered the requirement for strategic, commercial and leadership skills and the need to improve the balance of independence in the non-executive directors. Mr Darren Cooper fulfilled this requirement with his key role being to:

- Clarify and re-focus the key strategies of the Company;
- Lead and oversee its east-coast expansion; and
- Identify and recruit one or more east coast-based directors, which may potentially include a new east coast-based chairperson.

On 9 April 2019, the Company announced the appointment of Gerard Dyson as the Company's new Managing Director effective 1 July 2019. Mr Holton's appointment as Managing Director was a fixed term contract expiring 30 June 2019, and from this date Mr Holton has transitioned to an Executive General Manager role focusing on business development, relationships with key clients and business advice.

On 26 June 2019, Spectur announced it had secured approximately $1.5 million, after costs, via a two-tranche placement of shares to institutional and sophisticated investors. The Placement was conducted in two tranches with Tranche 1 raising approximately $1.1 million (before costs) via the issue of 8,460,344 new shares on 5 July 2019 and Tranche 2 of the Placement raising approximately $490,000 (before costs) via the issue of 3,770,429 new shares following approval by shareholders at a General Meeting on 12 August 2019.

Employees

The Company had 20 employees as at 30 June 2019 (2018: 31 employees).

Loss per share

	30 June 2019	30 June 2018
Basic loss per share (cents per share)	(4.82)	(7.61)

Subsequent events after the reporting date

As noted above the Company conducted a two Tranche placement to raise approximately $1.1 million (before costs) via the issue of 8,460,344 new shares.

On 12 August 2019, the Company held a General Meeting to approve Tranche 2 of the Placement shares. Following approval granted by shareholders 3,770,429 new fully paid ordinary shares were issued raising $490,000 (before costs).

A further 4,000,000 listed options exercisable at $0.20 on or before 31 December 2020 were issued on the 23rd of August 2019 to PAC Partners (or their nominees) as part consideration for services performed by acting as lead manager for the Placement.

The Directors are not aware of any other matter or circumstance that has arisen since 30 June 2019 which 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 years.

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 not been any known breaches of laws and regulations by the Company during the year and up to the date of this report.

Indemnifications 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.

The Company has a Directors and Officers insurance policy in place.

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:

Director	Directors' meetings		Remuneration Committee meetings	
2019	No. eligible to attend	No. attended	No. eligible to attend	No. attended
Darren Cooper	6	6	2	2
Richard Wilkins	1	1	-	-
Peter Holton	7	7	-	-
Stephen Bodeker	7	7	3	3
Andrew Hagen	7	6	3	3

In addition to the above meetings, the board executed 9 circular resolutions during the year.

Securities on issue

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

Number of fully paid ordinary shares	Number of options over ordinary shares	Number of performance rights
68,633,066	22,419,933	7,333,332

Directors' holdings of shares and performance rights during the financial period have been disclosed in the Remuneration Report. Option or performance rights holders do not have any right, by virtue of their option / performance rights, to participate in any share issue of the Company.

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:

Type	Number of shares under option	Exercise price of option	Expiry date of option
Listed SP3O	11,094,933	$0.20	31 December 2020
Unlisted	9,175,000	$0.20	31 December 2020
Unlisted	2,000,000	$0.50	31 December 2020
Unlisted	150,000	$0.37	31 December 2020
Total	**22,419,933**		

There were 80,000 shares issued during the year as a result of an exercise of Options.

Performance Rights

As at the date of this report, the following performance rights ("PR's") in the Company were on issue.

Type	Date of Expiry	No. of Performance Rights on Issue	Vesting Conditions
Tranche 2	31 December in the year the PR's vest.	7,333,332	The total Revenue for the year ended 30 June 2019 being at least $3.5 million, which is subject to the lodgement of the FY19 audited financial report.

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. The Company was not a party to any such proceedings during the year.

Future Developments

The Company remains committed to building shareholders' value, through Spectur repositioning itself as a premium brand with midterm goal of brand dominance in the Australian government & utilities sector.

It will seek to implement this in a number of ways, by

- Building an outbound sales organisation and improving the performance of existing inbound sales and marketing,
- Building a customer outreach program to generate insights that feed research & development, marketing and sales groups,
- Developing research & development plans to shape the next phases of technological expansion, and
- Focusing on improving cashflow through a combination of the above, whilst reducing input costs and overheads.

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. On 1st July 2019, Mrs Eleonora Shapiro joined the executive team in the role of Sales and Marketing Manager and Mrs Suzie Foreman, as Professional Services Manager (in addition to her existing Company Secretary role). Further information is set out in the Corporate Governance statement detailed on the Company's website, which will focus on the participation of women on Boards and set out objectives for gender diversity.

Non-audit services

No non-audit services were provided by the Company's auditor, HLB Mann Judd during the year.

Auditor independence

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 20 and forms part of this Directors' report for the year ended 30 June 2019.

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
Darren John Cooper	750,000	150,000	-
Gerard John Dyson	500,000	-	-
Stephen Paul Bodeker	113,424	252,875	-
Andrew Mark Hagen	25,000	500,000	-
Total	**1,388,424**	**902,875**	**-**

Remuneration Report (Audited)

A. Introduction

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 2019. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

For the purposes of this report KMP 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:

	Position	Period of Employment (to present)
Current Directors		
Mr Darren John Cooper	Non-Executive Chairman	Appointed 5 October 2018
Mr Gerard John Dyson	Managing Director	Appointed as EGM 9 April 2019 Appointed as Director 1 July 2019
Mr Stephen Paul Bodeker	Non-Executive Director	
Mr Andrew Mark Hagen	Non-Executive Director	
Previous Directors		
Mr Peter William Holton	Managing Director	Resigned 30 June 2019
Mr Charles Richard Wallace Wilkins	Executive Chairman	Resigned 5 October 2018

B. Remuneration Policy

The Spectur Board is committed to transparent disclosure of its remuneration strategy and this report details the Company's remuneration objectives, practices and outcomes for KMP, which includes Directors and senior executives, for the period ended 30 June 2019. Any reference to "Executives" in this report refers to KMPs who are not Non-Executive Directors.

B. 1 Remuneration Policy Framework

The key objective of Spectur's remuneration policy is to be a key enabler for the Company in achieving its strategic goal of continuing to build a successful remote solar power sensing and cloud-based technology solutions company. It has been designed to reward executives and employees fairly and responsibly in accordance with the market in which the Company operates, and to ensure that Spectur:

- Provides competitive rewards that attract, retain and motivate executives and employees of the highest calibre, who can successfully deliver, particularly as the Company moves through a rapid growth phase;
- Sets demanding levels of expected performance that have a clear linkage to an executive's remuneration;
- Benchmarks remuneration against appropriate comparator peer groups to make the Company competitive in the human resources market, through an offering of both short and long-term incentives and competitive base salaries;
- Provides a level of remuneration structure to reflect each executive's respective duties and responsibilities;
- Aligns executive incentive rewards with the creation of value for shareholders; and
- Complies with legal requirements and appropriate standards of governance.

B.2 Remuneration Committee

The Board is responsible for ensuring Spectur's remuneration strategy is aligned with Company performance and shareholder interests and is equitable for participants. The Remuneration Committee is responsible for reviewing and making recommendations to the Board on remuneration matters. The members of the Committee, are:

- Chairman – Darren Cooper
- Member – Andrew Hagen
- Member – Steven Bodeker
- Secretary – Suzie Foreman

The Remuneration Committee is delegated responsibility by the Board to make recommendations on:

- The remuneration policies and framework;
- Non-Executive Director Remuneration;
- Remuneration for the Executive Director, and equity-based compensation for the leadership team and other key management personnel as recommended by the Executive Director; and
- Executive Director incentive arrangements.

The Executive Director's performance is reviewed by the Remuneration Committee.

The Remuneration Committee may use independent Remuneration Consultants to provide advice but did not do so for FY19.

B.3 Remuneration Structure

In accordance with best practice corporate governance, the structure of non-executive Director and executive remuneration is separate and distinct.

B.4 Policy for 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 in aligning executives' objectives with shareholder and business objectives.

Executive Remuneration consists of the following key elements:

- Fixed remuneration or base salary; and
- Variable remuneration, being the "at risk" component related to performance comprising;
  - i) Short Term Incentives (STI);
  - ii) Long Term Incentive (LTI).

The proportion of fixed remuneration and variable remuneration is established for the Executive Director by the Remuneration Committee with reference to market comparator data and the scope of the executive's role and approved by the Board in accordance with the Remuneration Policy and the provisions of the STI and LTI Plans. These elements are both described in detail below.

C. Remuneration Components

C.1 Fixed Remuneration

Fixed remuneration consists of base salary, as well as employer contributions to superannuation funds and other non-cash benefits. Fixed remuneration was reviewed by the Remuneration Committee and approved by the Board having regard to remuneration paid to executives of relevant comparable peer group of companies taking into account company and individual performance. The Company sought to position its fixed remuneration in line with comparably sized ASX listed companies within the same sector. Size is determined by market capitalization at the time of comparison.

Executives receive an employer superannuation contribution made into a complying superannuation fund at the required Superannuation Guarantee rate (Currently 9.5%) of base salary. In line with prevalent market practice, executives may receive other benefits including vehicle benefits and mobile telephone reimbursements.

C.2 Variable Remuneration

C.2.1 STI Plan Applicable to the Reporting Period - 2019

The STI plan was implemented by the Remuneration Committee and approved by the Board during the year.

STI bonuses have been accrued for executives, payable based upon the achievement of certain stretched specified Key Performance Indicator ("**KPI's**") during the financial year relating to financial performance and product development. 60% of Mr Holton's bonus vested during the year, and 40% was forfeited during the year as the performance criteria was not met.

Mr Dyson's executive employment contract was executed 5 April 2019, and he is entitled to receive a pre-tax STI payment of up to 50% of his base salary. For the period from 15 April to 30 June 2019, he was entitled to receive a potential pro-rata STI payment according to KPI's set by Spectur.

The FY19 KPI's were established based upon the following:

- Workplace Health and Safety
- Company Strategy
- Operational and Financial improvements and initiatives
- Investor Relations

100% of Mr Dyson's bonus vested and was payable during FY19 based upon specified performance criterial being met.

STI bonuses paid or payable in relation to FY2019 are as follows:

Executive	FY 2019 Bonus Paid / Payable
	$
Peter Holton	36,000
Gerard Dyson	27,083

C.3 STI Plan for the 2020 Reporting Period

The Board have reviewed and implemented the STI plan for FY20 taking into account the Company's cash flow and financial performance having regard to the operations of the Company. A scorecard of metrics were considered which the Managing Director would be able to exert sufficient control to achieve a demonstrated strategic outcome in his role. For FY20 the STI payments depends on the extent to which specific operating targets set at the beginning of the financial year are met or exceeded. The operational targets consist of several KPI's covering both financial and non-financial measures of performance and may be based on company, individual, business and personal objectives. For FY20 these measures are:

(a) Financial Performance - EBITDA;
(b) R&D Roadmap;

With Safety performance as a "deleterious multiplier" per the following formula:

- "0.0 x" for a fatality
- "0.75 x" for a serious injury
- "1.0 x" in the absence of either a fatality or a serious injury.

The Board at its discretion may choose to modify these multipliers to suit the circumstances of the event(s).

An overall performance rating for the Company is approved by the Remuneration Committee, with assessment of performance against KPIs conducted following the finalisation of the full year audited results. The individual performance of the Executive Director is also rated and considered when determining the amount, if any, of the STI component to be paid, and this is performed at six-monthly intervals.

C.4.1 LTI Plan During the Reporting Period

The LTI plan in operation for the executive directors during the year was a performance rights plan which was implemented pre-IPO and linked remuneration incentives by way of Performance Rights to Company performance targets. No other long term incentives were issued to key management personnel during the period.

C.4.2 LTI Plan for Future Reporting Periods

Participation

A LTI scheme has been established for future financial periods where grants are made to those Executives that are able to influence the generation of shareholders' wealth and thus have a direct impact on the Company's performance against the relevant long-term performance hurdle. NEDs are not eligible to participate in the LTI plan.

Structure

LTI's are delivered under the Company's Employee Incentive Plan ("**EIP")** The EIP enables the Company to offer Executive Directors and key employees a range of different employee incentive scheme ("**ESS**") interests with the aim of to attracting, motivating and retaining key management. These ESS interests or awards include options, performance rights, service rights, deferred shares, exempt shares, cash rights and stock appreciation rights.

The Executive Director has a maximum LTI opportunity which is based upon a percentage of their annual base salary. The percentage depends upon the accountabilities of the role and impact on organisational performance.

Delivery

Awards under the LTI plan are made in the form of performance rights which provide, when vested, one share at nil cost (provided the specified performance hurdle is met). No dividends are paid on unvested LTI awards. A new share will be issued for each vested performance right. The number of performance rights allocated for each executive director is calculated by reference to their maximum LTI opportunity value.

Value

Allocations are made based on a face value approach using the Volume Weighted Average Price of Spectur's shares over the first five trading days of the 2019 financial year. This fixes the maximum number of shares / rights and the actual number will vest in accordance with the performance conditions which are set.

Milestone Targets

The LTI milestone targets (nominally weighted 75% Earnings Per Share (EPS) and 25% Total Shareholder Return (TSR)) will be reviewed by the Remuneration Committee and approved by the board to ensure they are relevant and sufficiently stretched to provide an incentive and reward mechanism for levels of performance well exceeding budgeted or "satisfactory". They are tested at the end of a 3-year period and awarded on the basis of achieving the quotative targets established in alignment with the Company's strategy.

The Managing Director has been allocated 1,607,919 performance rights which will be subject to shareholder approval at the 2019 Annual General Meeting of shareholders.

Leavers

If cessation of employment occurs, the following treatment will apply in respect of unvested rights:

- If the participant ceases employment with Spectur on resignation or on termination for cause, unvested rights will normally be forfeited.
- If the participant ceases employment in other circumstances (for example, due to illness, total or permanent disablement, retirement, redundancy, end of contract or other circumstances determined by the Board), unvested rights will stay 'on foot' and may vest at the end of the original performance period to the extent performance conditions are met.

The Board may determine in its discretion that the number of rights available to vest will be reduced pro-rata for time at the date employment ceases.

The Board will retain discretion to allow for accelerated vesting (pro-rated for performance and/or time) in special circumstances (as opposed to allowing unvested rights to remain 'on foot' on cessation of employment).

Remuneration Policy v's Financial Performance

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.

During the initial growth phase of the Company the key measurable driver to the Company's performance was sales revenue and product development with executives' remuneration KPI's linked to the achievement of specified targets. Directors and executives also held performance rights and options whose performance was linked to shareholder wealth (via the Company's share price).

The earnings of the Company for the previous three financial years are summarised below:

	2019 $	2018 $	2017 $
Sales Revenue	4,818,130	2,476,501	1,332,681
Gross profit	2,835,581	1,231,150	775,897
EBITDA	(2,586,997)	(3,764,137)	(607,237)
Loss after income tax	(2,608,167)	(3,319,043)	(426,501)

Going forward as the Company matures, short term remuneration incentives are linked to financial performance via EBITDA measurement. Longer term incentives are linked to Earnings Per Share (**"EPS"**) and Total Shareholder Return (**"TSR"**) targets.

The factors that are considered to affect EPS and TSR are summarised below:

	2019	2018	2017
Share price ($) – Year end	0.12	0.28	N/A
Dividend declared ($)	-	-	-
Loss per share (cents)	(4.82)	(7.61)	(3.31)
Number of shares on issue	56,402,293	49,000,025	17,500,000

The remuneration of KMP is aligned to Company performance via remuneration incentives and will be reported in subsequent annual reports.

C.5 Policy for and Components of Non-Executive Remuneration During the Reporting Period

Remuneration Policy

Non-Executive Director Fees

The overall level of annual Non-Executive Director fees was approved by shareholders in accordance with the requirements of the Company's Constitution and the Corporations Act. The maximum aggregate pool of Directors' fees payable to all of the Company's Non-Executive Directors is $250,000 per annum. This aggregate amount was approved by shareholders at the 2017 Annual General Meeting.

Equity Compensation

In accordance with Australian practice and shareholder preference, the Company's current policy is not to grant any further equity-based compensation to Non-Executive Directors. Accordingly, no equity incentives were offered to Non-Executive Directors in the reporting period to 30 June 2019. Shares were issued to Darren Cooper during the year in lieu of his cash remuneration for the first six months following his appointment.

Remuneration Structure

Non-Executive Directors receive a fixed remuneration of base fees, presently set at $35,000 per annum plus statutory superannuation. These fees cover main board activities only. Non-Executive Directors may receive additional remuneration for other services provided to the Company. In addition to these fees, Non-Executive Directors are entitled to reimbursement of reasonable travel, accommodation and other expenses incurred in attending meetings of the Board, committee or shareholder meetings whilst engaged by Spectur. Non-Executive Directors do not earn retirement benefits other than superannuation and are not entitled to any compensation on termination of their directorships.

The annual Board fees were reviewed during the reporting period to 30 June 2019 and have remained unchanged since this review. A further review will be conducted in the next financial year in accordance with the annual review of salaries performed by the Remuneration Committee.

The current Board fee structure, which includes committee fees, for Non-Executive Directors is as per the table below:

Board	
Chair	**Member**
$75,000	$35,000

Fees for Non-Executive Directors are not linked to the performance of the Company; however, to align directors' interests with shareholder interests, the directors may hold shares in the Company as governed by the Company's Securities Trading Policy.

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 provisions of the agreements related to remuneration are set out below.

	Base Salary/Fee per annum	Terms of Agreement	Notice Period
Executive Directors			
Gerard Dyson	$260,000 per annum for year 1, $280,000 per annum for year 2, $300,000 per annum for year 3. And STI and LTI component included and detailed above.	Commencement date – 1 July 2019 for period of 2 years	3 months in writing by either party. The contract will cease on 30 June 2022 unless the parties mutually agree to extend.
Non-Executive Directors			
Darren Cooper	$75,000	Non-Executive Director contract Commencement date – 5 October 2018	Upon written advice of intention or in accordance with the Constitution of the Company or the Corporations Act 2001
Stephen Bodeker	$35,000	Non-Executive Director contract Commencement date – 9 June 2018	Upon written advice of intention or in accordance with the Constitution of the Company or the Corporations Act 2001
Andrew Hagen	$35,000	Non-Executive Director contract Commencement date – 9 June 2018	Upon written advice of intention or in accordance with the Constitution of the Company or the Corporations Act 2001

E.1 Remuneration of Key Management Personnel

Mr Holton's base salary was increased to $245,000 for FY19 from $205,000 in FY18 following a salary comparison review against ASX listed peers.

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 for the financial years specified are as follows:

2019	Short-term benefits Salary & fees $	Bonus Payments $	Super-annuation $	Share-based payments(iv) $	Total $	Percentage performance related %
Directors						
Darren Cooper(i)	18,750	-	5,267	36,690	60,707	-
Richard Wilkins(ii)	59,134	-	5,345	55,553	120,032	46.3%
Peter Holton(iii)	245,000	36,000	23,275	55,553	359,828	25.4%
Stephen Bodeker	38,325	-	-	-	38,325	-
Andrew Hagen (vi)	92,771	-	3,325	-	96,096	-
Key Management Personnel						
Gerard Dyson (v)	50,000	27,083	4,750	-	81,833	33.1%
Total	**503,980**	**63,083**	**41,962**	**147,796**	**756,821**	**-**

Notes:

(i) Darren Cooper received the equivalent of $36,690 of his salary in fully paid ordinary shares, in lieu of the cash component.
(ii) Resigned 5 October 2018. Mr Wilkins was also paid $115,100 plus statutory superannuation of $8,886 for the 6 month period following his resignation, for his services performed as an employee during the transition.
(iii) Salary and fees include $15,000 for a vehicle allowance paid to Peter Holton (resigned on 30 June 2019).
(iv) The share-based payments related to the value of performance rights which were issued to Richard Wilkins and Peter Holton as part of the IPO process. In accordance with AASB 2, the performance rights issued to the Executives have been valued based on factors such as the underlying share price, the expected vesting date and vesting probability in achieving the specified revenue hurdles at the reporting date.
It should be noted that the Executives have not received this amount and the performance rights may have no actual financial value unless the required performance hurdles are achieved. Stock may also be issued to the recipient at a share issue price lower than valued and recognised in the financial report. Note that the valuation does not reflect the value of the equity benefits received for tax purposes.
(v) Appointed 5 April 2019.
(vi) Mr Hagen was paid $35,000 for director fees and $57,771 to Breakwater (WA) Pty Ltd for business development activities during 2019.

2018	Short-term benefits Salary & fees $	Bonus Payments $	Super-annuation $	Share-based payments $	Total $	Percentage performance related %
Directors						
Richard Wilkins(i)	205,000	20,000	19,000	611,111	855,111	73.8
Peter Holton(i)	205,000	50,000	20,425	611,111	886,536	74.6
Stephen Bodeker	38,325	-	-	-	38,325	-
Andrew Hagen (iii)	97,417	-	3,325	-	100,742	-
Total	**545,742**	**70,000**	**42,750**	**1,222,222**	**1,880,714**	**-**

Notes:

(i) Salary and fees include $15,000 for a vehicle allowance paid to Peter Holton and Richard Wilkins.
(ii) The share-based payments related to the value of performance rights which were issued to Richard Wilkins and Peter Holton as part of the IPO process. In accordance with AASB 2, the performance rights issued to the Executives have been valued based on factors such as the underlying share price, the expected vesting date and vesting probability in achieving the specified revenue hurdles at the reporting date.
It should be noted that the Executives have not received this amount and the performance rights may have no actual financial value unless the required performance hurdles are achieved. Stock may also be issued to the recipient at a share issue price lower than valued and recognised in the financial report. Note that the valuation does not reflect the value of the equity benefits received for tax purposes.
(iii) Mr Hagen was paid $35,000 for director fees and $62,417 to Breakwater (WA) Pty Ltd for business development activities during 2018.

Key management personnel equity holdings

Fully paid ordinary shares

30 June 2019	Balance at beginning of year / on appointment Number	Granted in lieu of cash compensation Number	Received on exercise of PR's[3] Number	Purchased during year Number	Balance at end of year / on resignation Number	Balance held nominally Number
Directors						
Darren Cooper[1]	150,000	155,602	-	50,000	355,602	355,602
Richard Wilkins[2]	2,249,557	-	3,333,333	-	5,582,890	5,006,389
Peter Holton[6]	1,711,944	-	3,333,333		5,045,277	5,045,277
Stephen Bodeker[4]	36,501	-	-	76,923	113,424	113,424
Andrew Hagen	25,000	-	-	-	25,000	25,000
Executives						
Gerard Dyson[5]	-	-	-	192,307	192,307	192,307

[1] Appointed 5 October 2018.
[2] Resigned 5 October 2018. 576,501 fully paid ordinary shares were held by Mr Wilkins de-facto spouse Judith van Ross.
[3] Exercise of Tranche 1 performance rights, which vested during the financial year.
[4] Shares acquired on market.
[5] Appointed 5 April 2019. Shares acquired on market.
[6] Resigned 30 June 2019

30 June 2018	Balance at beginning of year Number	Granted as compensation Number	Received on exercise of options Number	Net change other[1] Number	Balance at end of year Number	Balance held nominally Number
Directors						
Richard Wilkins[2]	2,157,500	-	-	92,057	2,249,557	1,673,056
Peter Holton	1,592,500	-	-	119,444	1,711,944	1,711,944
Stephen Bodeker	-	-	-	36,501	36,501	36,501
Andrew Hagen	-	-	-	25,000	25,000	25,000

[1] Acquired pursuant to the IPO, the director placement offer or SPP offer - December 2017.
[2] 576,501 fully paid ordinary shares are held by Mr Wilkins de-facto spouse Judith van Ross, 11,501 of which were acquired during the year as part of the share purchase plan offer. Mrs van Ross is defined as a related party pursuant to AASB124 and S608 of the Corporations Act, which includes a close member of the family of an individual as a related party and is required to be disclosed within financial reports.

Share options

Share options granted to KMP

During the financial year there were no equity securities granted to key management personnel of the Company and the entities they controlled as part of their remuneration.

30 June 2019	Balance at beginning of year/ on appointment Number	Granted as compensation Number	Exercised Number	Net change other[1] Number	Balance at end of year / on resignation Number
Directors					
Darren Cooper[1]	150,000				150,000
Richard Wilkins[2]	2,007,639	-	-	-	2,007,639
Peter Holton	2,017,361	-	-	-	2,017,361
Stephen Bodeker	252,875	-	-	-	252,875
Andrew Hagen	500,000	-	-	-	500,000
Executives					
Gerard Dyson[3]	-	-	-	-	-

[1] Appointed 5 October 2018.
[2] Resigned 5 October 2018
[3] Appointed 5 April 2019.

30 June 2018	Balance at beginning of year Number	Granted as compensation Number	Exercised Number	Net change other[1] Number	Balance at end of year Number
Directors					
Richard Wilkins	2,000,000	-	-	7,639	2,007,639
Peter Holton	2,000,000	-	-	17,361	2,017,361
Stephen Bodeker	250,000	-	-	2,875	252,875
Andrew Hagen	250,000	-	-	250,000	500,000

[1] The net change for Richard Wilkins, Peter Holton and Stephen Bodeker are options acquired pursuant to the director placement offer and Share Purchase Plan Offer– December 2017. Andrew Hagen acquired 250,000 options under the IPO option offer.

For details of the employee share option plan and of share options granted during the 2019 financial year, please refer to Notes 8 and 22. All share options issued to KMP were made in accordance with the provisions of the employee incentive plan.

Performance Rights

30 June 2019	Balance at beginning of year Number	Converted during the year Number	Cancelled / forfeited during the year[2]	Balance at end of year / upon resignation Number	Vested and Exercisable[3] Number
Directors					
Richard Wilkins[1]	10,000,000	(3,333,333)	(3,333,334)	3,333,333	3,333,333
Peter Holton	10,000,000	(3,333,333)	(3,333,334)	3,333,333	3,333,333

[1] Resigned 5 October 2018
[2] Tranche 3 performance rights cancelled for each director during the year.
[3] Tranche 2 performance rights vest upon Total Revenue for the financial year ended 30 June 2019 being at least $3.5 million as per the Company's audited financial statements.

30 June 2018	Balance at beginning of year Number	Granted as compensation for services Number	Balance at end of year Number	Vested and Exercisable[1] Number
Directors				
Richard Wilkins	10,000,000	-	10,000,000	3,333,333
Peter Holton	10,000,000	-	10,000,000	3,333,333

Comments on Remuneration Report at Spectur's most recent AGM

The Company received a 98.9% of "yes" votes on its remuneration report for the 2018 financial year. The Company did not receive any specific feedback from shareholders at the 2018 Annual General Meeting on its remuneration practices.

Signed in accordance with a resolution of the directors.

Mr Darren John Cooper
Director
Dated this 31 August 2019

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Spectur Limited for the year ended 30 June 2019, 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
31 August 2019

N G Neill
Partner

hlb.com.au

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Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	Notes	30 June 2019 $	30 June 2018 $
Continuing Operations			
Revenue	5	4,818,130	2,476,501
Cost of Sales		(1,982,549)	(1,245,351)
Gross profit		2,835,581	1,231,150
Interest income		21,109	68,674
Other income		2,530	986
Research and development expenses		(209,904)	(313,661)
Employee benefits		(2,999,754)	(1,795,502)
Restructuring costs		(535,716)	-
General and administrative expenses		(1,298,756)	(1,084,555)
Marketing and advertising		(353,043)	(336,029)
Property expenses		(257,072)	(174,022)
Depreciation and amortisation		(332,811)	(51,524)
Interest expense		(11,538)	(7,662)
Share-based payment expense	22	229,137	(1,292,504)
Loss before income tax benefit		**(2,910,237)**	**(3,754,649)**
Income tax benefit	6	302,070	435,606
Loss for the year		**(2,608,167)**	**(3,319,043)**
Other comprehensive loss for the year		-	-
Total comprehensive loss for the year		**(2,608,167)**	**(3,319,043)**
Loss attributable to members of the Company		**(2,608,167)**	**(3,319,043)**
Basic loss per share (cents per share)	9	**(4.82)**	**(7.61)**

The accompanying notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2019

	Notes	30 June 2019 $	30 June 2018 $
Assets			
Current Assets			
Cash and cash equivalents	10	1,303,261	3,487,070
Trade and other receivables	11	1,226,843	1,028,304
Inventories	12	936,696	907,528
Total Current Assets		**3,466,800**	**5,422,902**
Non-Current Assets			
Property, plant and equipment	13	645,268	577,298
Intangible assets	14	597,310	858,569
Total Non-Current Assets		**1,242,578**	**1,435,867**
Total Assets		**4,709,378**	**6,858,769**
Liabilities			
Current Liabilities			
Trade and other payables	15	1,494,726	1,343,833
Borrowings	16	101,570	81,938
Provisions	17	271,265	142,217
Total Current Liabilities		**1,867,561**	**1,567,988**
Non-Current Liabilities			
Borrowings	16	107,377	175,925
Provisions	17	60,117	-
Total Non-Current Liabilities		**167,494**	**175,925**
Total Liabilities		**2,035,055**	**1,743,913**
Net Assets		**2,674,323**	**5,114,856**
Equity			
Issued capital	7	8,997,115	8,220,651
Reserves	8	1,108,668	1,717,498
Accumulated losses		(7,431,460)	(4,823,293)
Net Equity		**2,674,323**	**5,114,856**

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 June 2019

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2018	**8,220,651**	**1,717,498**	**(4,823,293)**	**5,114,856**
Loss for the year	-	-	(2,608,167)	(2,608,167)
Total Comprehensive loss for the year	**-**	**-**	**(2,608,167)**	**(2,608,167)**
Shares issued during the year (net of costs)	52,690	-	-	52,690
Share issue costs	(27,892)	-	-	(27,892)
Performance rights converted during the year	751,666	(751,666)	-	-
Performance rights forfeited during the year	-	(250,769)	-	(250,769)
Options issued during the year	-	15,083	-	15,083
Value of performance rights brought to account during the year	-	378,522	-	378,522
Balance as at 30 June 2019	**8,997,115**	**1,108,668**	**(7,431,460)**	**2,674,323**

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2017	**1,936,890**	**58,500**	**(1,504,250)**	**491,140**
Loss for the year	-	-	(3,319,043)	(3,319,043)
Total Comprehensive loss for the year	**-**	**-**	**(3,319,043)**	**(3,319,043)**
Shares issued during the year (net of costs)	7,580,005	-	-	7,580,005
Share issue costs	(1,296,244)	-	-	(1,296,244)
Options issued during the year	-	312,863	-	312,863
Value of performance rights brought to account during the year	-	1,346,135	-	1,346,135
Balance as at 30 June 2018	**8,220,651**	**1,717,498**	**(4,823,293)**	**5,114,856**

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 June 2019

	Notes	30 June 2019 $	30 June 2018 $
Cash flows from operating activities			
Receipts from customers		4,388,331	2,497,683
Payments to suppliers and employees		(6,764,027)	(4,848,064)
Restructuring costs		(191,635)	-
Interest received		23,578	65,686
Interest paid		(1,315)	(1,909)
Finance and related charges		(10,223)	(5,753)
R & D tax incentives received		464,104	212,792
Net cash used in operating activities	10.1	**(2,091,187)**	**(2,079,565)**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		32,900	-
Payments for intangible assets		(33,333)	(875,754)
Purchase of property, plant and equipment		(275,207)	(576,947)
Net cash used in investing activities		**(275,640)**	**(1,452,701)**
Cash flow from financing activities			
Proceeds from issue and subscription of shares		16,000	7,380,005
Proceeds from issue of options for cash		-	55,000
Funds received for shares to be allotted		182,601	-
Payments for share issue costs		-	(809,738)
Proceeds from borrowings		66,713	301,842
Repayment of borrowings		(82,296)	(43,979)
Net cash from financing activities		**183,018**	**6,883,130**
Net (decrease) / increase in cash and cash equivalents held		(2,183,809)	3,350,864
Cash and cash equivalents at the beginning of the year		3,487,070	136,206
Cash and cash equivalents at the end of the year		**1,303,261**	**3,487,070**

The accompanying notes form part of these financial statements.

Note 1: 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 the years presented unless otherwise stated. The financial statements are for Spectur Limited. Spectur Limited does not 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 financial statements are presented in Australian dollars.

The Company is a listed public Company, incorporated and operating in Australia. The entity's principal activities are detailed in the Directors Report.

(a) Statement of compliance

The financial report was authorised for issue on 31 August 2019.
The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(b) Adoption of New and Revised Standards

Standards and Interpretations applicable to 30 June 2019

In the year ended 30 June 2019, 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. The impact of these new standards on the Company are detailed below.

AASB 9 Financial Instruments

AASB 9 replaces AASB 139 Financial Instruments: Recognition and Measurement and makes changes to a number of areas including classification of financial instruments, measurements, impairment of financial assets and hedge accounting model.
The Company has adopted AASB 9 from 1 July 2018.
The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest.
A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value.
All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI').
Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch.
For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch).
New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity.
New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

The Company has applied AASB 9 retrospectively with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018 and has elected not to restate comparative information. Accordingly, the information presented for 30 June 2018 has not been restated. No material impact was noted for 30 June 2018.

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.

Note 1: Basis of Preparation

AASB 15 Revenue from Contracts with Customers

AASB 15 replaces AASB 118 Revenue and AASB 111 Construction Contracts and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards.
The Company has adopted AASB 15 from 1 July 2018.
AASB 15 establishes a single comprehensive income for entities to use in accounting for revenue arising from contracts with customers.
AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised, including in respect of multiple element arrangements. The core principle of AASB 15 is that it requires identification of distinct performance obligations within a transaction and associated transaction price allocation to these obligations. Revenue is recognised upon satisfaction of these performance obligations, which occur when control of goods or services is transferred, rather than on transfer of risks or rewards. Revenue received for a contract that includes a variable amount is subject to revised conditions for recognition, whereby it must be highly probable that no significant reversal of the variable component may occur when the uncertainties around its measurement are removed.
The core principle of AASB 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Company has adopted AASB 15 using the modified retrospective method of adoption (without practical expedients) with the effect of initially applying this standard recognised at the date of initial application, being 1 July 2018. Accordingly, the information presented for 30 June 2018 has not been restated. The effect of the application of AASB 15 has been applied to all contracts at date of initial application.

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 Standards and Interpretations in issue not yet adopted for the year ended 30 June 2019. Those which may have a material impact on the Company are set out below.

AASB 16 Leases

AASB 16 replaces AASB 117 Leases. AASB 16 removes the classification of leases as either operating leases or finance leases-for the lessee – effectively treating all leases as finance leases.
AASB 16 is applicable to annual reporting periods beginning on or after 1 July 2019.

Impact on operating leases

AASB 16 will change how the Company accounts for leases previously classified as operating leases under AASB 117, which were off-balance sheet. On initial application of AASB 16, for all leases (except as noted below), the Company will:

- Recognise right-of-use assets and lease liabilities in the consolidated statement of financial position, initially measured at the present value of the future lease payments.
- Recognise depreciation of right-of-use assets and interest on lease liabilities in the consolidated statement of profit or loss.
- Separate the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the consolidated cash flow statement.

Lease incentives (e.g. rent-free period) will be recognised as part of the measurement of the right-of-use assets and lease liabilities whereas under AASB 117 they resulted in the recognition of a lease liability incentive, amortised as a reduction of rental expenses on a straight-line basis.
Under AASB 16, right-of-use assets will be tested for impairment in accordance with AASB 136 Impairment of Assets. This will replace the previous requirement to recognise a provision for onerous lease contracts.
For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as personal computers and office furniture), the Company will opt to recognise a lease expense on a straight-line basis as permitted by AASB 16.
The Company has elected not to early adopt AASB 16 but has conducted an assessment of the impact of the new standard and have determined that there is unlikely to be a material impact.

Impact on finance leases

The main differences between AASB 16 and AASB 117 with respect to assets formerly held under a finance lease is the measurement of the residual value guarantees provided by the lessee to the lessor.
AASB 16 requires that the Company recognises as part of its lease liability only the amount expected to be payable under a residual value guarantee, rather than the maximum amount guaranteed as required by AASB 117.
On initial application the Company will present equipment previously included in property, plant and equipment within the line item for right-of use assets and the lease liability, previously presented within borrowing, will be presented in a separate line for lease liabilities.

Based on an analysis of the Company's finance leases as at 30 June 2019 on the basis of the facts and circumstances that exist at that date, the directors of the Company have assessed that the impact of this change will not have an impact on the amounts recognised in the Company's consolidated financial statements.

Interpretation 23 Uncertainty over Income Tax Treatments

This Interpretation clarifies how to apply the recognition and measurement requirements in AASB 112 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in AASB 112 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Interpretation.
Interpretation 23 is effective from annual reporting periods beginning on or after 1 July 2019.

Other than the above, the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to Company accounting policies.

(c) Going Concern

The financial report has been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlements of liabilities in the ordinary course of business.

(d) Foreign currency translation

The functional and presentation currency of Spectur Limited 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.

Note 2: Significant Accounting Policies

(a) Revenue from Contracts with Customers

Applicable to 30 June 2019

Revenue arises mainly from equipment sales, rental of equipment, field services and recurring revenue. The Company generates revenue largely in Australia.

To determine when to recognise revenue, the Company follows a 5-step process:

1 Identifying the contract with a customer
2 Identifying the performance obligations
3 Determining the transaction price
4 Allocating the transaction price to the performance obligations
5 Recognising revenue when/as performance obligation(s) are satisfied.

The revenue and profits recognised in any period are based on the delivery of performance obligations and an assessment of when control is transferred to the customer.

In determining the amount of revenue and profits to record, and related balance sheet items (such as contract fulfilment assets, capitalisation of costs to obtain a contract, trade receivables, accrued income and deferred income) to recognise in the period, management is required to form a number of key judgements and assumptions. This includes an assessment of the costs the Company incurs to deliver the contractual commitments and whether such costs should be expensed as incurred or capitalised.

Revenue is recognised either when the performance obligation in the contract has been performed, so 'point in time' recognition or 'over time' as control of the performance obligation is transferred to the customer.

For contracts with multiple components to be delivered such as equipment sales with field services and recurring revenue, management applies judgement to consider whether those promised goods and services are (i) distinct - to be accounted for as separate performance obligations; (ii) not distinct - to be combined with other promised goods or services until a bundle is identified that is distinct or (iii) part of a series of distinct goods and services that are substantially the same and have the same pattern of transfer to the customer.

Transaction price

At contract inception the total transaction price is estimated, being the amount to which the Company expects to be entitled and has rights to under the present contract.

The transaction price does not include estimates of consideration resulting from change orders for additional goods and services unless these are agreed.

Once the total transaction price is determined, the Company allocates this to the identified performance obligations in proportion to their relative stand-alone selling prices and recognises revenue when (or as) those performance obligations are satisfied.

For each performance obligation, the Company determines if revenue will be recognised over time or at a point in time. Where the Company recognises revenue over time for long term contracts, this is in general due to the Company performing and the customer simultaneously receiving and consuming the benefits provided over the life of the contract.

For each performance obligation to be recognised over time, the Company applies a revenue recognition method that faithfully depicts the Company's performance in transferring control of the goods or services to the customer. This decision requires assessment of the real nature of the goods or services that the Company has promised to transfer to the customer. The Company applies the relevant output or input method consistently to similar performance obligations in other contracts.

When using the output method, the Company recognises revenue on the basis of direct measurements of the value to the customer of the goods and services transferred to date relative to the remaining goods and services under the contract. Where the output method is used, in particular for long term service contracts where the series guidance is applied, the Company often uses a method of time elapsed which requires minimal estimation. Certain long-term contracts use output methods based upon estimation of number of users, level of service activity or fees collected.

If performance obligations in a contract do not meet the over time criteria, the Company recognises revenue at a point in time. This may be at the point of physical delivery of goods and acceptance by a customer or when the customer obtains control of an asset or service in a contract with customer-specified acceptance criteria.

Disaggregation of revenue

The Company disaggregates revenue from contracts with customers by contract type, which includes (i) equipment sales, (ii) equipment rentals, (iii) field services and (iv) recurring revenue as management believe this best depicts how the nature, amount, timing and uncertainty of the Company's revenue and cash flows.

Performance obligations

The nature of contracts or performance obligations categorised within this revenue type includes (i) equipment sales, (ii) equipment rentals, (iii) field services, and (iv) recurring revenue.

The service contracts in this category include contracts with either a single or multiple performance obligations.

The Company considers that the services provided meet the definition of a series of distinct goods and services as they are (i) substantially the same and (ii) have the same pattern of transfer (as the series constitutes services provided in distinct time increments (e.g., monthly or annual services)) and therefore treats the series as one performance obligation.

(i) Equipment sales

Revenues are recognised at a point in time

(ii) Equipment rentals

Revenues are recognised over time.

(iii) Field services

Revenues are recognised at a point in time.
(iv) Recurring revenue
Revenues are recognised over time.

Contract assets and contract liabilities

The Company recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Company satisfies a performance obligation before it receives the consideration, the Company recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.
As a result of the contracts which the Company enters into with its customers, a number of different assets and liabilities are recognised on the Company's balance sheet. These include but are not limited to:
Trade receivables*
Accrued income*
Deferred income*
* No change in the accounting policies for these assets as a result of the adoption of AASB 15.

Applicable to 30 June 2018

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 Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group 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 Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services
Revenue from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Contract income is recognised by reference to the total actual costs incurred at the end of the reporting period relative to the proportion of the total costs expected to be incurred over the life of the contract;
- Servicing fees are recognised by reference to the proportion of the total cost of providing the service for the product sold; and
- Revenue from time and material contracts are recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

(b) Other Income and Expenses

Dividends
Dividends are recognised as revenue when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

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.

Borrowing costs
Borrowing costs are capitalised that are directly attributable to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.
Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.
All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(c) Income Tax Expenses

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 based on the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operate and generate taxable income. 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 balance 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.

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.

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.

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

(d) 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 Managing Director of Spectur Limited.

(e) 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.

(f) Cash and Cash Equivalents

Cash comprises cash at bank and in hand.
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.
Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.
For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(g) 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 30 days to 60 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 profit or loss and other 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 profit or loss and other comprehensive income.

(h) 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.

(i) 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.

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.

(j) 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.

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
Other Intangibles	3 years following acquisition
Product development	3 to 5 years following commercial use

Impairment of tangible and intangible assets other than Other Intangibles

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.

(k) Trade and other payables

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.

Employee leave benefits

Wages, salaries, annual leave and long service leave
Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave expected to be settled within 12 months of the balance date are recognised in other payables in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.
Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current other payables in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Company

(l) Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

(m) 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 profit or loss and other 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.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the Directors' best estimate of the expenditure required to settle the Company's obligation.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the balance date. Consideration is given to expected future wage and salary levels, experience of employee departures, and period of service. Expected future payments are discounted using market yields at the balance date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

(n) 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).
Equity settled transactions (continued)

The Company has the following plan in place:

- the Employee Incentive Plan (EIP), which provides benefits to Directors, senior executives and employees 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.

Note 3: 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.

(i) Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

(ii) Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain software and IT equipment.

(iii) Impairment

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

(iv) 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 by an external valuer using a Black-Scholes model.

The Company measures the cost of cash-settled share-based payments at fair value at the grant date using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted.

(v) Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that sufficient future tax profits will be available to utilise those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

NOTE 4: 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 5: REVENUE FROM CONTRACTS WITH CUSTOMERS

Disaggregation of revenue

AASB 134 requires an entity to disclose a disaggregation of revenue from contracts with customers required by paragraphs 114-115 of AASB 15. The Company has selected to disaggregate revenue according to the timing of the transfer of goods and/or services. As the Company elected the modified retrospective method of adoption, comparative information under AASB 15 is not required as disclosures for the comparative period in the notes follow the requirements of AASB 111, AASB 118 and other related interpretations.

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

	30 June 2019 $
At a point in time	
Equipment sales	2,271,506
Field services	539,334
	2,810,840
Over Time	
Equipment rentals	1,241,593
Recurring revenue	765,697
	2,007,290
Total revenue	**4,818,130**

The Company recognised an impairment loss on receivables from contracts with customers in the statement of comprehensive income, amounting to $15,439 for the year ended 30 June 2019.

NOTE 6: INCOME TAX

	30 June 2019 $	30 June 2018 $
(a) Income tax benefit	**302,070**	**435,606**
(b) Numerical reconciliation between tax-benefit and pre-tax net loss		
(Loss) from ordinary activities	(2,910,237)	(3,754,649)
Income tax using the Company's domestic tax rate of 27.5% (2018:27.5%)	(800,315)	(1,032,528)
Effect of items that are not assessable/deductible in determining taxable loss:		
- Non-deductable expenses	492,804	766,605
- Non-assessable income	1,402	(118,190)
- Other deductible expenses	(193,377)	(271,052)
Tax losses for which no deferred tax asset was recognised	499,486	655,165
Income tax benefit relating to R&D claim	(302,070)	(435,606)
Income tax benefit attributable to entity	**(302,070)**	**(435,606)**

Other Notes to the Financial Statements

NOTE 6: INCOME TAX (continued)

	30 June 2019 $	30 June 2018 $
(c) Unrecognised deferred tax		
Tax losses for which no deferred tax asset has been recognised		
Losses available for offset against future taxable income	1,816,314	2,382,419
Total	1,816,314	2,382,419
Potential tax benefits at 27.5%	**499,486**	**655,165**

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.

	30 June 2019 $	30 June 2018 $
(d) Income tax recognised in profit or loss		
Current tax expense	(585,912)	(493,401)
Deferred tax expense/(income)	124,128	(161,764)
Tax losses not recognised	461,784	655,165
Income tax benefit relating to R&D claim	(302,070)	(435,606)
Net income tax benefit	**(302,070)**	**(435,606)**

	30 June 2019 $	30 June 2018 $
(e) Income tax recognised directly in equity		
Current tax expense/(income)	-	(180,844)
Deferred tax expense/(income)	(37,703)	144,675
Tax losses not recognised	37,703	36,169
Net income tax benefit	**-**	**-**

NOTE 7: ISSUED CAPITAL

As at 30 June 2019, the Company had the following issued share capital:

	30 June 2019		30 June 2018	
	Number	$	Number	$
Fully paid ordinary shares	56,402,293	8,997,115	49,000,025	8,220,651
	56,402,293	**8,997,115**	**49,000,025**	**8,220,651**
Movement of issued share capital:				
Balance at beginning of year	49,000,025	8,220,651	17,500,000	1,936,890
Shares issued on IPO - 20c	-	-	23,500,000	4,700,000
Placement (including Director offer) at 36c	-	-	6,100,000	2,196,000
Share Purchase Plan Offer at 36c	-	-	1,900,000	684,000
Issue of remuneration shares (i)	155,602	36,690	-	-
Shares issued on exercise of options	80,000	16,000	25	5
Shares issued on exercise of performance rights (ii)	7,166,666	751,666	-	-
Share issue costs	-	(27,892)	-	(1,296,244)
Balance at end of year	**56,402,293**	**8,997,115**	**49,000,025**	**8,220,651**

(i) Issued to Darren Cooper in lieu of cash salary earned during the year.
(ii) Performance rights converted during the financial year.

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.

NOTE 8: RESERVES

Nature and purpose of reserves

Options Reserve

This reserve is used to record the value of options subscribed for or provided to investors, employees and consultants. Refer to note 22 for further details of these plans.

Performance Rights Reserve

This reserve is used to record the value of performance rights provided to employees, Directors and consultants as part of their remuneration. Refer to note 22 for further details of these plans

As at 30 June 2019, the Company had the following reserve accounts:

	30 June 2019		30 June 2018	
	Number	$	Number	$
Options	18,419,933	386,446	18,499,933	371,363
Performance rights	7,333,332	722,222	21,500,000	1,346,135
Balance at end of year	**25,753,265**	**1,108,668**	**39,999,933**	**1,717,498**

NOTE 8: RESERVES (continued)

OPTIONS RESERVE MOVEMENT

	30 June 2019 Number	30 June 2019 $	30 June 2018 Number	30 June 2018 $
Movement of Company options:				
Balance at beginning of year	18,499,933	371,363	8,850,000	58,500
Options issued on a 1:4 basis under share offers during the year	-	-	1,999,958	-
Issued during the year for cash consideration	-	-	5,500,000	55,000
Value of all employee options brought to account during the year	-	15,083	150,000	7,480
Issued during the year to consultants	-	-	2,000,000	250,383
Options exercised	(80,000)	-	(25)	-
Balance at end of year	**18,419,933**	**386,446**	**18,499,933**	**371,363**

PERFORMANCE RIGHTS MOVEMENT

	30 June 2019 Number	30 June 2019 $	30 June 2018 Number	30 June 2018 $
Performance rights	7,333,333	722,222	21,500,000	-
	7,333,332	**722,222**	**21,500,000**	**-**
Movement of issued performance rights:				
Balance at beginning of year	21,500,000	1,346,135	20,000,000	-
Value of all performance rights brought to account during the year	-	378,522	-	1,346,135
Performance rights converted to shares	(7,166,666)	(751,666)	-	-
Performance rights forfeited	(7,000,002)	(250,769)	-	-
Issue of performance rights to consultants / directors	-	-	1,500,000	-
Balance at end of year	**7,333,332**	**722,222**	**21,500,000**	**1,346,135**

During the year 7,000,0002 Tranche 3 performance rights were forfeited by directors ceasing employment, with their value written back in accordance with AASB 2.

NOTE 9: LOSS PER SHARE

	30 June 2019 Cents per share	30 June 2018 Cents per share
Basic loss per share	(4.82)	(7.61)

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

	30 June 2019 $	30 June 2018 $
Losses	(2,608,167)	(3,319,043)

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 2019 Number	30 June 2018 Number
Weighted average number of ordinary shares for the purpose of basic loss per share	54,075,317	43,631,511

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

NOTE 10: 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 2019 $	30 June 2018 $
Cash on hand and in bank	520,125	465,068
Credit cards	(337)	(33,382)
Cash in bank – share subscriptions held on trust [1]	182,595	-
Short term deposits	600,878	3,055,384
Net cash and cash equivalents	**1,303,261**	**3,487,070**

[1] Cash in bank includes $182,595 (2018: $nil) which relates to equity application funds held on behalf of investors for unissued securities. A corresponding current liability was recorded for $182,595 (2018: $nil) as funds owed to investors until such time as shares had been validly issued under the Tranche 1 and Tranche 2 share placements.

At 30 June 2019, the Company had a credit card facility of $50,000 (2018: $50,000) and does not attract any interest if paid within the required period.

Term deposits are taken for periods between one and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates

NOTE 10: CASH AND CASH EQUIVALENTS (continued)

10.1 Reconciliation of loss after tax to net cash outflow from operating activities:

	30 June 2019 $	30 June 2018 $
Loss for the year	(2,608,167)	(3,319,043)
Adjustments for non-cash income and expense items		
Depreciation and amortisation	438,125	72,743
Accrued R&D refund receivable	(265,342)	(427,376)
R&D refund received	-	204,562
(Profit) / Loss on disposal of property and equipment	(2,530)	683
Share-based payment expense	(229,137)	1,292,504
Restructuring costs – non-cash	380,773	-
Provisions	189,165	142,217
Change in assets and liabilities		
Decrease / (Increase) in trade and other receivables	66,803	(211,986)
(Increase) in inventories	(29,168)	(731,517)
(Decrease) / Increase in trade and other payables	(31,709)	897,648
Net cash outflow from operating activities	**(2,091,187)**	**(2,079,565)**

10.2 Reconciliation of liabilities arising from cash flows from financing activities:

	Notes	30 June 2019 $	30 June 2018 $
Balance as at 1 July 2018	16	257,863	-
Proceeds from financing activities		66,713	301,842
Repayments		(92,219)	(48,928)
Repayment relating to investing activities		(33,333)	-
Interest paid		9,923	4,949
Balance as at 30 June 2019	**16**	**208,947**	**257,863**

NOTE 11: TRADE AND OTHER RECEIVABLES

	30 June 2019 $	30 June 2018 $
Trade receivables (i)	868,721	399,693
Allowance for expected credit losses (ii)	(19,056)	(14,953)
	849,665	384,740
Goods and services tax recoverable	-	36,944
Prepayments	106,212	170,310
Advances to suppliers	5,105	-
Other	519	8,934
R&D refund receivable	265,342	427,376
Total	**1,226,843**	**1,028,304**

(i) Trade receivables are non-interest bearing and are generally on terms of 30 days to 60 days. All amounts are short term. The carrying value of trade receivables is considered a reasonable approximation of fair value.
(ii) Note 20 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

NOTE 11: TRADE AND OTHER RECEIVABLES (continued)

Movement in allowance for expected credit losses

	30 June 2019 $	30 June 2018 $
Balance at the beginning of the year	14,953	-
Provision for expected credit losses	15,439	14,953
Written off	(11,336)	-
Closing balance	**19,056**	**14,953**

Expected credit losses

The Group applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The expected loss rates are based on the payment profile for sales over the past 24 months before 30 June 2019 and 30 June 2018 respectively as well as the corresponding historical credit losses during that period.

Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Group on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery.

On the above basis the expected credit loss for trade receivables as at 30 June 2019 and 30 June 2018 was determined as follows:

	Trade receivables past due					
30 June 2019	**Current (not past due)**	**1 – 30 days past due**	**31 – 60 days past due**	**61 – 90 days past due**	**More than 90 days past due**	**Total**
Expected credit loss rate	0%	0%	0%	0%	69.7%	2.2%
Gross carrying amount	542,544	240,937	56,385	1,525	27,330	868,721
Lifetime expected credit loss	-	-	-	-	19,056	19,056

	Trade receivables past due					
30 June 2018	**Current (not past due)**	**1 – 30 days past due**	**31 – 60 days past due**	**61 – 90 days past due**	**More than 90 days past due**	**Total**
Expected credit loss rate	0%	0%	0%	0%	66.9%	3.7%
Gross carrying amount	233,062	76,146	27,824	23,370	39,291	399,693
Lifetime expected credit loss	-	-	-	-	14,953	14,953

Other Notes to the Financial Statements

NOTE 11: TRADE AND OTHER RECEIVABLES (continued)

The closing balance of the trade receivables allowance for expected credit losses as at 30 June 2019 reconciles with the trade receivables allowance for expected credit losses opening balance as follows:

	30 June 2019 $
1 July 2017 allowance under AASB 139	-
AASB 9 transition adjustment	-
1 July 2017	**-**
Amounts written off	-
Net remeasurement of loss allowance	14,953
30 June 2018	**14,953**
Amounts written off	(11,336)
Net remeasurement of loss allowance	15,439
Closing balance – 30 June 2019	**19,056**

NOTE 12: INVENTORIES

	30 June 2019 $	30 June 2018 $
Raw materials – cost	550,244	576,318
Work in progress – cost	97,272	16,553
Finished goods - cost	289,180	314,657
Total	**936,696**	**907,528**

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
- Work in progress – purchase cost on a first-in, first-out basis; and
- Finished goods – cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity

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.

NOTE 13: PROPERTY, PLANT AND EQUIPMENT

	Camera equipment $	Improve-ments $	Plant and equipment $	Office equipment $	Motor Vehicles $	Total $
Balance at 1 July 2018	279,598	16,254	51,939	86,343	143,164	577,297
Additions	174,517	-	42,943	23,287	34,460	275,207
Disposals	-	-	(30,462)	-	-	(30,462)
Depreciation charge for the year	(105,314)	(2,660)	(12,886)	(28,885)	(27,029)	(176,774)
Balance at 30 June 2019	**348,801**	**13,594**	**51,534**	**80,745**	**150,595**	**645,268**
Balance at 1 July 2017	18,355	-	8,131	11,300	15,945	53,731
Additions	274,156	18,607	50,494	92,913	140,777	576,947
Disposal	-	-	(320)	(363)	-	(683)
Depreciation charge for the year	(12,913)	(2,353)	(6,366)	(17,507)	(13,558)	(52,697)
Balance at 30 June 2018	**279,598**	**16,254**	**51,939**	**86,343**	**143,164**	**577,298**

Plant and equipment
The carrying value of plant and equipment held under chattel mortgage contracts at 30 June 2019 is $17,091 (2018: $30,268). Additions during the year include $20,494 (2018: $31,800) of plant and equipment held under chattel mortgage contracts. Disposals during the year include $29,535 (2018: $nil) of plant and equipment held under chattel mortgage contracts.

Motor Vehicles
The carrying value of motor vehicles held under chattel mortgage contracts at 30 June 2019 is $142,403 (2018: $132,433). Additions during the year include $35,237 (2018: $140,777) of motor vehicles held under chattel mortgage contracts.

NOTE 14: INTANGIBLES

	Patents $	Product Development $	Other Intangibles $	Total $
Carrying value				
Cost	38,674	739,339	100,000	878,013
Accumulated amortisation	-	-	(19,444)	(19,444)
Carrying value as at 30 June 2018	**38,674**	**739,339**	**80,556**	**858,569**
Cost	38,674	739,339	100,000	878,013
Accumulated amortisation	(5,208)	(222,715)	(52,780)	(280,703)
Carrying value as at 30 June 2019	**33,466**	**516,624**	**47,220**	**597,310**
Reconciliation				
Carrying value as at 1 July 2018	38,674	739,339	80,556	858,569
Additions	-	-	-	-
Amortisation	(5,208)	(174,987)	(33,336)	(213,531)
Impairment	-	(47,728)	-	(47,728)
Carrying value as at 30 June 2019	**33,466**	**516,624**	**47,220**	**597,310**

NOTE 14: INTANGIBLES (continued)

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.

Patents
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.

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.
The following useful lives are used in the calculation of amortisation:

Patents	8 Years
Product development	3 to 5 Years
Other Intangibles	3 Years

Impairment of tangible and intangible assets other than Other Intangibles

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.

Other Intangibles
Other Intangibles acquired is initially measured at cost.

Following initial recognition, Other Intangibles is measured at cost less amortisation and any impairment losses.

Other Intangibles is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (Company of cash-generating units), to which the Other Intangibles relates. When the recoverable amount of the cash-generating unit (Company of cash-generating units) is less than the carrying amount, an impairment loss is recognised. When Other Intangibles forms part of a cash-generating unit (Company of cash-generating units) and an operation within that unit is disposed of, the Other Intangibles associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Other Intangibles disposed of in this manner is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

Impairment losses recognised for Other Intangibles are not subsequently reversed.

NOTE 15: TRADE AND OTHER PAYABLES

	30 June 2019 $	30 June 2018 $
Accounts payable (i)	360,515	668,232
Accruals	224,062	190,866
GST	61,091	-
Unearned revenue	457,372	406,807
Share subscriptions received	182,613	-
Other payables	209,073	77,928
Total	**1,494,726**	**1,343,833**

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

NOTE 16: BORROWINGS AND OTHER FINANCIAL LIABILITIES

	30 June 2019 $	30 June 2018 $
Current loans		
Secured loans	68,297	33,998
Unsecured loans	33,273	47,940
Total current loans	**101,570**	**81,938**
Non-current loans		
Secured loans	93,488	128,703
Unsecured loans	13,889	47,222
Total non-current loans	**107,377**	**175,925**
Total loans	**208,947**	**257,863**

Secured Loans

These loans are secured by Plant & Equipment as well as Motor Vehicles. The interest rates on these loans are fixed and range between 4.97% to 5.87% and interest is repayable within a period of 26 to 33 months from the reporting date. Total monthly repayments are $3,117.

NOTE 17: 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 profit or loss and other 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.

Warranties

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the Directors' best estimate of the expenditure required to settle the Company's obligation.

NOTE 17: PROVISIONS (continued)

Equipment Rental Costs

The provision for equipment rental costs relates to the estimated cost of work to be carried out in relation to the removal and refurbishment of rental equipment at the end of the rental agreement term. The provision represents the best estimate of the present value of the expenditure required to settle the obligation at the reporting date. Future costs are reviewed annually and any changes in the estimate are reflected in the present value of the equipment rental provision at each reporting date.

	Warranties	Equipment Rental	Annual Leave	Total current	Long service leave	Total non-current
	$	$	$	$	$	$
Balance as at 30 June 2018	-	32,700	109,517	142,217	-	-
Provided during the year	203,760	40,200	211,361	455,321	60,117	60,117
Utilised	(127,266)	(23,451)	(175,556)	(326,273)	-	-
Unused amounts reversed	-	-	-	-	-	-
Balance as at 30 June 2019	**76,494**	**49,449**	**145,322**	**271,265**	**60,117**	60,117

NOTE 18: DIVIDENDS

The directors of the Company have not declared any dividend for the years ended 30 June 2019 and 2018.

NOTE 19: COMMITMENTS

As at 30 June 2019, the Company had the following commitments:

	30 June 2019	30 June 2018
	$	$
Lease commitments		
Not longer than 1 year	156,820	149,500
Longer than 1 year and shorter than 5 years	-	149,500
Total	**156,820**	**299,000**

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

I. Unit 2/6 Merino Entrance, Cockburn Central WA 6164
II. Unit 3/6 Merino Entrance, Cockburn Central WA 6164
III. 20 Enterprise Way, Sunshine West VIC 3020

NOTE 20: FINANCIAL INSTRUMENTS

Capital risk management

The Company's overall strategy remains unchanged from 2018.
The capital structure of the Company consists of cash and cash equivalents, borrowings and equity attributable to equity holders of the company, comprising issued capital, reserves and retained earnings.
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.

NOTE 20: FINANCIAL INSTRUMENTS (continued)

Financial risk management objectives

The Company is exposed to, (i) market risk (which includes foreign currency exchange risk, interest rate risk, share price risk and commodity price risk), (ii) credit risk and (iii) liquidity risk.
Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments.

Market risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates, interest rates, and share prices.
There has been no change to the Company's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

Foreign currency exchange risk management

The Company undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

30 June 2019	Short term exposure $	Long term exposure $
US Dollars		
• Financial liabilities	299	-
	299	**-**

30 June 2018	Short term exposure $	Long term exposure $
US Dollars		
• Financial liabilities	47,180	-
	47,180	**-**

Foreign currency sensitivity analysis

The sensitivity analyses below detail 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 balance date, if foreign exchange rates had been 10 basis point higher or lower and all other variables were held constant, the Company's:

- Profit or loss would increase/decrease by $4 (2018: $872); and
- Equity reserves would increase/decrease by $4 (2018: $872).

The Company's sensitivity to foreign exchange has not changed significantly from the prior year.

NOTE 20: FINANCIAL INSTRUMENTS (continued)

Interest rate risk management

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.

A 100 basis point increase or decrease is used when reporting interest rate risk internally to management and represents management's assessment of the change in interest rates.
At balance date, if interest rates had been 100 basis points higher or lower and all other variables were held constant, the Company's:

- Profit or loss would increase/decrease by $6,006 (2018: $30,220); and
- Equity reserves would increase/decrease by $6,006 (2018: $30,220).

The Company's sensitivity to interest rate risk has decreased during the year mainly due to the reduction in cash invested in term deposits.

Credit risk management

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk from financial assets including cash and cash equivalents held at banks and trade and other receivables.

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.

Liquidity risk management

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.

Non-derivative financial liabilities

The following tables detail the Company's expected contractual maturity for its non-derivative financial liabilities.
These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date the Company can be required to repay.
The tables include both interest and principal cash flows.

30 June 2019	**≤6 Months $**	**6-12 Months $**	**1-5 Years $**	**≥5 Years $**	**Total $**
Financial Liabilities					
Trade and other payables	1,494,726	-	-	-	1,494,726
Loans payable	59,691	41,939	107,317	-	208,947
Total	**1,554,417**	**41,939**	**107,317**	**-**	**1,703,673**

30 June 2018	**≤6 Months $**	**6-12 Months $**	**1-5 Years $**	**≥5 Years $**	**Total $**
Financial Liabilities					
Trade and other payables	1,343,834	-	-	-	1,343,834
Loans payable	48,032	33,884	175,946	-	257,862
Total	**1,391,866**	**33,884**	**175,946**	**-**	**1,601,696**

NOTE 20: FINANCIAL INSTRUMENTS (continued)

Fair value measurement

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.

The Company has a number of financial instruments which are not measured at fair value in the statement of financial position.
The Directors consider that the carrying amounts of current receivables, current payables and current borrowings are considered to be a reasonable approximation their fair values

NOTE 21: CONTINGENT LIABILITIES

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

NOTE 22: 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 2019 $	30 June 2018 $
Expense arising from equity-settled share-based payment transactions	64,687	1,292,504
Performance rights forfeited	(293,824)	-
Net share based (income) / payment expense recognised in profit or loss	**(229,137)**	**1,292,504**

The following share-based payment arrangements were in place during the current and prior periods:

Options	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date $	Vesting date $
Consultant options	250,000	19 May 2017	31 Dec 2020	0.20	2,500	19 May 2017
Employee options	450,000	19 May 2017	31 Dec 2020	0.20	4,500	19 May 2017
Consultant options	500,000	9 Jun 2017	31 Dec 2020	0.20	5,000	9 Jun 2017
Employee options	1,650,000	9 Jun 2017	31 Dec 2020	0.20	16,500	9 Jun 2017
Employee options	150,000	19 Jan 2018	31 Dec 2020	0.37	30,165	19 Jan 2019

NOTE 22: SHARE-BASED PAYMENTS (continued)

a) Recognised Share-based Payment Expense (continued)

Performance rights	Number	Grant date	Expiry date	Value at grant date $	Fair value at grant date $	Vesting date $
Directors [Tranche 1]	6,666,666	1 Mar 2017	31 Dec 2018	0.10	700,000	30 Jun 2018
Directors [Tranche 2]	6,666,666	1 Mar 2017	31 Dec 2019	0.10	700,000	30 Jun 2019
Directors [Tranche 3]	[1]	1 Mar 2017	31 Dec 2020	0.10	700,000	[1]
Consultants [Tranche 1] [3]	333,333	25 Jul 2017	31 Dec 2018	0.10	33,333	30 Jun 2018
Consultants [Tranche 2] [3]	333,333	25 Jul 2017	31 Dec 2019	0.10	33,333	30 Jun 2019
Consultants [Tranche 3] [3]	333,333	25 Jul 2017	31 Dec 2020	0.10	33,333	30 Jun 2020
Consultants [Tranche 1]	166,666	1 Dec 2017	31 Dec 2018	0.31	51,666	1 Nov 2018
Consultants [Tranche 2]	[2]	1 Dec 2017	31 Dec 2019	0.31	51,666	[2]
Consultants [Tranche 3]	[2]	1 Dec 2017	31 Dec 2020	0.31	51,666	[2]

[1] During the year ended 30 June 2019, 6,666,666 performance rights were forfeited for not meeting a vesting condition. This resulted in a reversal of previously expensed amounts of $222,222.

[2] During the year ended 30 June 2019, 333,334 performance rights were forfeited due to not meeting vesting conditions. This resulted in a reversal of previously expensed amounts of $71,602.

[3] These performance rights were issued to Spectur's lead manager on IPO and is accounted for in share issue cost and not share based payments.

Performance rights have a zero cost of conversion into a fully paid ordinary share upon achievement of specified performance milestones.

There have been no further alterations to the terms and conditions of the above share-based payment arrangements since grant date.

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 2019		30 June 2018	
	Number	WAEP	Number	WAEP
Outstanding at beginning of year	3,000,000	$0.21	2,850,000	$0.20
Granted by the Company during the year	-	-	150,000	$0.37
Outstanding at end of year	**3,000,000**	**$0.21**	**3,000,000**	**$0.21**
Exercisable at the end of year	**3,000,000**	**-**	**3,000,000**	-

NOTE 23: RELATED PARTY DISCLOSURES

The Company'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 2019 $	30 June 2018 $
Short-term employee benefits	609,025	658,492
Share-based payment	147,796	1,222,222
Total	**756,821**	**1,880,714**

The amount of share-based payments is calculated in accordance with AASB 2.
More detailed information concerning the remuneration of key management is shown in the Remuneration report page 12.

NOTE 24: AUDITOR'S REMUNERATION

The auditor of Spectur Limited is HLB Mann Judd.

	30 June 2019 $	30 June 2018 $
Audit or review of the financial statements	**39,280**	**38,500**

NOTE 25: EVENTS AFTER THE REPORTING DATE

On 26 June 2019, Spectur announced it had secured approximately $1.5 million, after costs, via a two-tranche placement of shares to institutional and sophisticated investors. The Placement was conducted in two tranches with Tranche 1 raising approximately $1.1 million (before costs) via the issue of 8,460,344 new shares conducted on 5 July 2019.

On 12 August 2019, the Company held a General meeting to approve the Tranche 2 Placement shares. Following approval granted by shareholders 3,770,429 new fully paid ordinary shares were issued raising $490,000 (before costs).

A further 4,000,000 listed options exercisable at $0.20 on or before 31 December 2020 were issued on the 23rd of August 2019 to PAC Partners (or their nominees) as part consideration for services performed by acting as lead manager to the Placement.

Other than noted above, the Directors are not aware of any other matter or circumstance that has arisen since 30 June 2019 which 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 years.

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 2019 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 2019.

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

Darren Cooper
Director
Dated this 31 August 2019

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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 2019, 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 2019 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. We have determined the matter described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Revenue and related risk of fraud **Note 3**	
The total revenue from operations for the year is $4,818,130, with revenue being predominately generated from equipment sales and rentals and related services.	Our procedures included but were not limited to the following: • We reviewed the Company's financial policy regarding the recognition and/or deferral of revenue in line with AASB 15 Contracts with Customers; • We reviewed the calculation of deferred revenue to ensure that it is correctly calculation and in accordance with the Australia Accounting Standards;

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Due to the presumption of fraud risk over revenue recognition, as prescribed by the Australia Accounting Standards Board, this area has been subject to significant audit procedures.	• We selected a sample of revenue transactions and agreed the transaction to the underlying supporting documentation; • We performed audit procedures to ensure that revenue is materially completed, including procedures surrounding cut-off at balance date; • We assessed the adequacy of the Company's disclosures in respect of revenue and deferred revenue.

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 financial report for the year ended 30 June 2019, 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.

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Spectur Limited for the year ended 30 June 2019 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

Norman Glad

N G Neill
Partner

Perth, Western Australia
31 August 2019

Additional Securities Information

SHAREHOLDER INFORMATION

The security holder information set out below was applicable as at 24 August 2019.
There are two classes of quoted securities, being fully paid ordinary shares and options.

1) Quoted Securities – (i) Fully Paid Ordinary Shares
a) Distribution of Security Number

Category	Ordinary Shares	
(Size of holding)	Shareholders	Shares
1 – 1,000	**23**	**1,399**
1,001 – 5,000	**104**	**321,190**
5,001 – 10,000	**115**	**940,630**
10,001 – 100,000	**436**	**16,800,279**
100,001 and over	**140**	**50,569,568**
Total	**818**	**68,633,066**

There are 818 holders of ordinary shares. Each shareholder is entitled to one vote per share held.

b) Marketable parcel
There are 111 shareholders with less than a marketable parcel (basis price $0.105).

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 were two substantial shareholders listed on the Companies register as at 28 August 2019, being

- Peter William Holton – 7.28%
- Charles Wallace Wilkins – 5.94%

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

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 hold is as follows:

Position	Holder Name	Holding	% Held
1	PETER WILLIAM HOLTON	4,995,277	7.28%
2	CHARLES RICHARD WALLACE WILKINS	4,079,833	5.94%
3	BASAPA PTY LTD <KEHOE FAMILY A/C>	1,562,543	2.28%
4	SARGON CT PTY LTD <CYAN C3G FUND>	1,538,462	2.24%
5	OLDVIEW ENTERPRISES PTY LTD	1,276,449	1.86%
6	LEE NICOLA JOHN RINALDI & CAROL ANGUS RINALDI	1,185,000	1.73%
7	DRP 2006 SUPER PTY LTD	1,181,790	1.72%
8	PABASA PTY LTD <KEHOE FAMILY SUPER A/C>	1,125,000	1.64%
9	MR PETER ANTHONY <PETER ANTHONY FAMILY A/C>	1,000,000	1.46%
10	PAC PARTNERS SECURITIES PTY LTD	768,399	1.12%
11	MR DARREN JOHN COOPER	750,000	1.09%
12	DMX CAPITAL PARTNERS LIMITED	706,947	1.03%
13	INVERMORE PTY LTD <THE A MIDDENDORP FAMILY A/C>	692,308	1.01%
14	VISTA ASSET MANAGEMENT PTY LTD <WILKINS SUPER FUND A/C>	620,000	0.90%
15	MR ALIREZA TASBIHI	600,000	0.87%
16	COBBLESTONES CORPORATE PTY LTD	581,667	0.85%
17	SOVRAN RESOURCES PTY LTD	575,000	0.84%
18	JUDITH VAN ROSS	546,501	0.80%
19	STOW COURT PTY LTD <RM & JP BOLTON S/F A/C>	537,001	0.78%
20	TRI BUDIHASTUTI	500,000	0.73%
20	DR GERARD JOHN DYSON	500,000	0.73%
20	MR ROSS MILNER MCKAY & MS CHRISTINE STUART BABBAGE <MCKAY SUPER FUND A/C>	500,000	0.73%
	Total	**25,822,177**	**37.63%**

1) Quoted Securities – (ii) Options exercisable at $0.20 on or before 31 December 2020.

a) Distribution of Security Number

Category	Options - $0.20	
(Size of holding)	Option holders	Options
1 – 1,000	**5**	**2,648**
1,001 – 5,000	**118**	**332,329**
5,001 – 10,000	**29**	**229,964**
10,001 – 100,000	**79**	**3,201,469**
100,001 and over	**25**	**7,228,523**
Total	**256**	**10,994,933**

There are 256 holders of quoted options. Option holders are not entitled to vote.

Additional Securities Information

SHAREHOLDER INFORMATION (continued)

b) Marketable parcel

There are 173 shareholders with less than a marketable parcel (basis price $0.025).

c) Substantial Option holders

Refer to table below:

d) Top 20 security holders

The names of the twenty largest holders of each class of quoted equity security, being $0.20 options, the number of equity security each holds and the percentage of capital each hold is as follows:

Position	Holder Name	Holding	% IC
1	BASAPA PTY LTD <KEHOE FAMILY A/C>	875,000	7.96%
2	MR PHILIP JOHN CAWOOD	646,154	5.88%
3	MR CRAIG RUSSELL STRANGER	570,276	5.19%
3	MR CHARLES SIMON ARMYTAGE REED	570,276	5.19%
4	PAC PARTNERS SECURITIES PTY LTD	534,331	4.86%
5	MR PETER ANTHONY <PETER ANTHONY FAMILY A/C>	400,000	3.64%
6	ROUSE EQUITIES PTY LTD <ROUSE INVESTMENT A/C>	377,357	3.43%
7	ACNS CAPITAL MARKETS PTY LTD	307,691	2.80%
8	MR MICHAEL JAMES BUNN	260,000	2.36%
9	NICHOLAS LE MARSHALL	250,000	2.27%
10	GARY LESLIE SARGEANT	200,000	1.82%
10	MR ZEFNY MOHD IDRIS	200,000	1.82%
11	MR PETER JOHN FERRIS	184,600	1.68%
12	FRY SUPER PTY LTD <INXS SUPER FUND A/C>	182,875	1.66%
13	MS LAYLA ANNA PAULINE MCNAUGHTON	180,000	1.64%
14	MRS JOANNE KAYE JENSZ	176,923	1.61%
15	MR ALEXANDER CHRISTOPHER SMITH	171,083	1.56%
15	MRS BROOKE LAUREN PICKEN	171,083	1.56%
16	SJ CAPITAL PTY LTD	164,616	1.50%
17	MR DUNCAN WILLIAM JONES	155,352	1.41%
18	INVERMORE PTY LTD <THE A MIDDENDORP FAMILY A/C>	150,000	1.36%
18	MR DARREN JOHN COOPER	150,000	1.36%
19	MR GREGORY JOHN BROWN	125,000	1.14%
19	MR COLIN PRIESTLEY BELTON & MR CRAIG DOUGLAS PENTLAND <C2 UNIT A/C>	125,000	1.14%
20	MS ROSEMARY PATERSON	102,875	0.94%
	Total	**7,230,492**	**65.78%**

Additional Securities Information

SHAREHOLDER INFORMATION (continued)

2) Unquoted Securities – Company Options and Performance Shares

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

2A) Company Options

a) Distribution of unquoted Options holder numbers

Category	Ordinary Options	
(Size of holding)	Option holders	Options
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	3	30,000
10,001 – 100,000	19	1,221,250
100,001 and over	14	10,173,750
Total	36	11,425,000

2A) Company Options (continued)

There are 36 holders of Unlisted 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

There are 5 holders of Tranche 2 Performance Rights totalling 7,333,332.

2C) Performance Rights

b) Voting rights

Unlisted Performance Rights do not entitle the holder to any voting rights.

c) Holders of more than 20% of unquoted Performance Rights

- Richard Wilkins owns 3,333,333 rights which is equal to 47.62% of the Performance Rights on issue.
- Peter Holton also owns 3,333,333 rights which is equal to 47.62% of the Performance Rights 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 Appendix 4G.

This corporate governance statement lodged on the same day as the Annual Report 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 solar security solutions 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.

5. Restricted Securities

There are no restricted securities as at the date of signing of the report.