powerHouse

Powerhouse Ventures Limited
ABN: 64 612 076 169
ASX security code: PVL
Date of release: 30 August 2023
Full Year Report (Appendix 4E)

1. Details of the reporting period and the previous corresponding period

Reporting period	Year Ended	30 June 2023
Previous Corresponding period	Year Ended	30 June 2022

2. Results for announcement to the market

	Change on previous period	**AUD$'000**
2.1 Revenue and fair value changes from ordinary activities	Up $0.8m to	1,418
2.2 Profit (loss) from Ordinary activities after tax	Up $1m to	717
2.3 Net profit (loss) for the period attributable to members	Up $1m to	717
2.4 It is not proposed to pay dividends.		
2.5 Date for determining entitlements to the dividends - not applicable refer 2.4 above		
2.6 A brief explanation of the figures in 2.1 to 2.4 For the profit commentary and any other significant information needed by an investor to make an informed assessment of Powerhouse's results please refer to the accompanying audited Financial Statements for the Year Ended 30 June 2023.		
3 - 6. Refer attached audited Financial Statements		
7. Details of individual dividends and payment dates - not applicable refer 2.4 above		
8. Details of any dividend or distribution reinvestment plans in operation - not applicable refer 2.4 above.		
	Current period	**Previous period**
9. Net tangible asset backing per ordinary security	**AUD$**	**AUD$**
	0.09	0.08
10. Details of material entities over which control has been gained or lost - nil		
11.1 - 11.3 Profits and losses of portfolio companies are not consolidated into aggregate results as investee companies are measured at fair value through profit and loss in accordance with AASB 10. This is described in detail in Notes 1 and 18 of the attached audited Financial Statements.		
12. Audit qualification or Review *Details of audit/review dispute or qualification (if any):* The financial statements have been audited and an unqualified opinion has been issued.		
13. Attachments *Details of attachments (if any):* The Annual Report of Powerhouse Ventures Limited for the year ended 30 June 2023 is attached.		

James Kruger
Executive Chairman
Date: 30 August 2023

For more information, please contact the Group.

Powerhouse Ventures Limited
ABN 64 612 076 169

ANNUAL REPORT
AND
FINANCIAL STATEMENTS

30 June 2023

CONTENTS

Powerhouse Ventures Limited
ABN 64 612 076 169

DIRECTORY

Directors

James Kruger	Executive Chairman
Joseph Demase	Non-Executive Director
Joshua Baker	Non-Executive Director

Company Secretary
Sally McDow

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Melbourne Vic 3000

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Melbourne Vic 3000

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Shareholders requiring clarification of holdings, or requesting changes of name or address should contact Computershare Investor Services Pty Ltd directly. A variety of requisite forms may be downloaded from www.computershare.com.au

CHAIRMAN'S REVIEW

Dear Fellow Shareholders,

We are pleased to present the 2023 Annual Report for Powerhouse Ventures Limited (ASX:PVL) ("the Group").

The Financial Results

During the year ended 30 June 2023, the Group reported total income of $A1,417,663 an increase of A$824,014 on prior year and a net profit after tax of A$717,346 an increase of A$1,003,683 on FY22. The NTA per share as 30 June 2023 was A$8.8 cents per share (2022: A$8.1 cents per share).

Investment Portfolio

FY2023 saw an increase in the carrying value of a number of the Group's portfolio investments to A$7,625,700 (2022: A$5,941,846). On July 2022, the Group announced it had taken a minor stake in Australian-American next generation test and measurement company, Liquid Instruments Inc for USD400,000.

It was pleasing to see that some of the legacy investee companies were hitting their milestones and successfully raising new capital post-COVID, some leading to increases in their carrying values.

Additionally, the Group was very pleased to see a number of the more recent investments experience an up-lift in their valuations following fresh capital raises at a premium to PVL's entry price.

Cash Position

With continued focus on preserving the Group's cash, the operating cash burn rate has now fallen to A$387,393 per annum (2022: A$612,333). At 30 June 2023 the Group had cash reserves of A$3,038,695 (2022: A$4,022,110).

Corporate Redomicile

As previously advised to the ASX, on 23 May 2023 Powerhouse Ventures Limited successfully completed its application to redomicile its corporate residency from New Zealand to Australia. Subsequently the Powerhouse Ventures Limited entity was removed from the New Zealand Companies Register in August 2023.

Business Update

We continued to focus on the 3 key building blocks to a successful investment process: origination expertise; due diligence execution; post investment support and engagement. This has enabled us to seek world-leading IP and to assess its potential to be commercialised in solving global problems with large addressable markets and potentials for free cash flows.

The success of Skykraft this financial year proves out this investment process and our work on these 3 key building blocks. The value uplift we booked was a result of Skykraft team's expertise and Process IP in the specific design of satellites for air traffic management. We did a lot of work understanding the space domain with our experts and we assisted the Skykraft team, who are well known to us. We are pleased to see early success and remain hopeful for more.

CHAIRMAN'S REVIEW

Business Update (continued)

We are aware that our low stock liquidity and relative small balance sheet has weighed down sentiment for our stock price, especially given the macro market conditions. There are not too many transactional or short term levers we can look at to differentiate ourselves away from this. The things we can control are our investment process and the fostering of the team-based building blocks at an enterprise level, as described above and as demonstrated with one portfolio companies' early and immediate revaluation. We remain confident that over time the quality of our investment portfolio will enable us to lock-step us out of the current pricing sentiment.

We anticipate that in the coming year improved market conditions and further commercialisation activities of our portfolio companies should more concretely demonstrate the value of our efforts. While our investment activity reduced, we reviewed many potential investments and we engaged well with our networks, including numerous research institutes. Our engagement with existing portfolio companies was also extensive, as reflected in our audit reports and other portfolio updates. We have also been engaging on capital recycling opportunities. We have been busy on all fronts across the robust investment processes of origination-execution-support.

Summary

I want to thank the Group's executive team for their valuable contributions to the successful growth in the Groups' performance and commitment to excellence. Your board remains focussed on improving value for our shareholders whilst also preserving our capital.

James Kruger
Executive Chairman
Powerhouse Ventures Limited
30 August 2023

DIRECTORS' REPORT

The Directors present their annual report on Powerhouse Ventures Limited (“the Company”) and its controlled entities (“the Group”) for the financial year ended 30 June 2023.

BOARD OF DIRECTORS

The Board of Directors ("the Board") is responsible for the overall corporate governance of the Group. The Board monitors the operational and financial position and performance of the Group and oversees its business strategy, including approving the strategic goals of the Group. The Board is committed to maximising performance, generating appropriate levels of Shareholder value and financial return, and sustaining the growth and success of the Group.

In conducting business, the Board’s objective is to ensure that the Group is properly managed to protect and enhance Shareholder interests and that the Group, its Directors, officers, and employees operate in an appropriate environment of corporate governance. Accordingly, the Board has created a framework for managing the Group including adopting relevant internal controls, risk management processes and corporate governance policies and practices which it believes are appropriate for the Group’s business and which are designed to promote the responsible management and conduct of the Group.

The names and details of the Group's directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

James Kruger *(Executive Chairman, appointed 24 November 2021)*

James is a global consultant and investor in deep tech and energy tansition supply chains. He holds bachelor degrees in Commerce, Law, and Arts from Queensland University and a Masters of Applied Finance from Macquarie University. James has a passion for improving the sovereign capability of Australia through the commercialization of national-wide research and science capabilities and seeks to utilize his Asian network and global legal and investment banking skills from a 20+ year global career at Macquarie Group Limited

Joseph Demase *(Non-executive Director, appointed 24 November 2021)*

Joe holds a Bachelor of Business (B.Bus Acct) from Deakin University and is currently Managing Director of ASX listed Webcentral Limited (WCG). He has held this position for the last 6 years. Webcentral is Australia’s leading domain and hosting provider with 350,000 customers. WCG has completed over 13 acquisitions.

Joshua Baker *(Non-executive Director, appointed 24 November 2021)*

Joshua is currently a Portfolio Manager at Capital H Management, a boutique investment firm focused on small and microcap companies. He holds a Bachelor's degree in Economics and Finance from RMIT University and has over 10 years’ experience across multiple sectors of the financial services industry from general wealth management through to hedge funds.

COMPANY SECRETARY

Sally McDow *(Appointed 1 December, 2022)*

Sally McDow is an experienced corporate governance professional and company secretary. Holder of a Bachelor of Laws from the QLD University of Technology in 1995 and admitted as a solicitor in QLD in 1998, Sally has international experience working in the UK, Europe and North America for 15+ years in senior governance, company secretarial and compliance roles focused in the financial services sector.

Sally holds an MBA from Simon Fraser University in Canada and a Corporate Governance Diploma from the Chartered Secretaries Institute. Sally is a graduate of the Australian Institute of Company Directors course in 2019 and has experience as a company secretary for multiple ASX listed and unlisted companies across various sectors including funds management and technology.

DIRECTORS' REPORT (continued)

BOARD OF DIRECTORS (Continued)

COMPANY SECRETARY

Campbell Hedley *(Appointed 1 December 2021, Resigned 1 December, 2022)*

Campbell holds a LLB & Bachelor of Business from the University of Technology. He is a governance & corporate advisory professional and practising lawyer with over 20 years' experience across a range of industries including Banking & Finance, Corporate Agriculture and Manufacturing with a particular focus on start-ups and early-stage ventures.

The relevant interests of each director in the share capital of the Company shown in the Register of Directors' Shareholding as at the date of this report is:

Director:	Shares	Unlisted Options	Shares issued on exercise of options
James Kruger	1,100,000	4,000,000	-
Joseph Demase	2,500,000	4,000,000	-
Joshua Baker	20,757,809	4,000,000	-
	24,357,809	12,000,000	-

The Directors named below have disclosed the following directorships held in ASX-listed or unlisted public entities in the last 3 years:

Director	Company Name	Position Held	Period position held
James Kruger	Lava Blue Limited	Director	Jun 2021 to current
James Kruger	Quantum Brilliance Limited	Director	March 2021 to current
James Kruger	Greatcell Energy Limited	Chairman	January 2023 to current
Joseph Demase	Webcentral Limited	Managing Director	October 2022 to current
Joseph Demase	5G Networks Limited	Managing Director	January 2017 to November 2021
Joshua Baker	Nil	Nil	Nil

Board Committees

The Board may from time to time establish appropriate committees to assist in the discharge of its responsibilities. The Board has established an Audit and Risk Committee, Human Resources and Remuneration Committee, and Corporate Governance and Nomination Committee. Other committees may be established by the Board as and when required. Membership of Board committees will be based on the needs of the Group, relevant legislative and other requirements and the skills and experience of individual Directors.

Each committee typically consists of at least three members, where the Board consists of four or more members. Where the Board has fewer than four members the duties of the Committee are discharged by the full Board.

Membership of each committee is reviewed by the Board on an annual basis. All committees are comprised of at least three Directors appointed by the Board.

Committee	Overview	Members (at 30 August 2023)
Audit & Risk	Responsible for monitoring and advising the Board on: - the Group's audit; - risk management; and - regulatory compliance policies and procedures	James Kruger Joseph Demase Joshua Baker
Human Resources & Remuneration	Provide assistance to the Board in relation to: - Board and Executive Remuneration Policy; and - key human resources policies.	James Kruger Joseph Demase Joshua Baker
Corporate Governance & Nomination	Provide assistance to the Board in relation to: - nomination processes; - selected application of human resources policies as they relate to the Board; and	James Kruger Joseph Demase Joshua Baker

The number of Directors' meetings attended by each of the Directors of the Group during the year to 30 June 2023 was:

Board of Directors	Number Attended	Number Eligible
James Kruger	12	13
Joseph Demase	13	13
Joshua Baker	13	13

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS AND ACTIVITIES

Principal Activities

Powerhouse Ventures Limited invests in deep-tech innovators solving global problems. PVL invests in and adds value to companies that produce sustainable IP moats in the electrification & decarbonization, next generation computing, space technologies and healthcare technologies sectors.

Following the reincorporation of Powerhouse Ventures Limited from New Zealand to Australia, the nature of the Group's principal activities which is the allocation of and investment in assets under a portfolio, now occurs no longer in New Zealand, but in Australia.

Operating Results and Dividends

The consolidated profit for the year after income tax was $717,346 (2022: loss of $286,337), an improvement of $1,003,683. The main drivers behind this significant improvement included a positive net change of $855,497 in the fair value of investments held at year end, complemented by on-going management of expenses, resulting in a saving of A$179,669. Further details can be found in the attached Financial Statements and notes to the accounts.

No dividends were paid or declared during the year.

Review of Financial Condition

At the end of the 2023 financial year, cash resources were $3,038,695 (2022: $4,022,110). These accounts have been prepared on a going concern basis.

Assets increased to $10,746,429 (2022: $10,051,150) and equity increased to $10,649,983 (2022: $9,834,056).

Contributing to the $695,279 increase in total assets was the net uplift in the carrying values of the Group's portfolio companies. In addition, the Group's cash flow management continue to support overall strength in working capital.

The $815,927 increase in equity was largely due to the full year profit after tax of $717,346.

Operating Review

New Investments

The Board has shared its strategic vision of facilitating Australian innovation solving global problems. In particular, PVL is focusing on companies with sustainable IP capability in four sectors, namely Electrification & Decarbonisation, Next Generation Computing, Space technologies, and Healthcare Technologies. These are areas where (a) there is significant global-scale demand for problem solving via commercially ready and scalable IP (b) the PVL team has broad-based and global insights.

In July 2022 PVL made a USD400,000 investment in Liquid Instruments which is an innovative and market leading company that delivers software defined instrumentation. Liquid Instruments was spun out of the Australian National University in 2014 and is gaining traction in a $20B market with customers across industries like Aerospace & Defence, Automotive, Connectivity and Semiconductor.

In FY24 the Group will continue to assess new investment opportunities but with an exceptionally high return hurdle and focus on more liquidity and shorter investment duration

Review of the Existing Investment Portfolio

Following on from the significant investment of $2,894,633 across 8 companies in FY 2022, the Board is pleased with the $571,061 unrealized net increase in their collective valuations in the current period. In particular, Skykraft re-rated very well following a very successful capital raise.

Of the legacy investments made prior to current Board, PVL is pleased with the $284,436 unrealized net gain, most notably in Ferronova and Inhibit Coatings.

As previously announced to the ASX on 1 June 2023, in an effort to recycle capital, the Group has engaged with external advisors to assist with monetizing the legacy investments.

Overall, the 30 June 2023 the audited valuation of the portfolio stood at $7,625,700 (2022: A$5,941,846).

DIRECTORS' REPORT (continued)

REVIEW OF OPERATIONS AND ACTIVITIES (continued)

2023 Annual General Meeting

The 2023 AGM will be held virtually on 14 November 2023. A Notice of Meeting outlining business to be covered at the 2023 AGM will be sent to shareholders during October 2023, including details on how to attend online.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Transfer of incorporation from New Zealand to Australia
On 22 May 2023, Powerhouse Ventures Limited reincorporated and was redomiciled from New Zealand to Australia, as permitted under sections 350 to 356 of the Companies Act 1993 (New Zealand) and Part 5B.1 of the Corporations Act 2001 (Cth), (the Reincorporation). The Reincorporation followed a decision made by the Directors effective to 1 July 2022 that determined that the functional currency of this legal entity ceased to be New Zealand dollars, and became Australian Dollars as at that date. In making this decision, the directors considered that the allocation of and investment in assets under a portfolio, which is the primary economic activity conducted by the Group occurred no longer in New Zealand, but in Australia.

Change in presentation currency
In previous reporting periods up to 30 June 2022 these consolidated financial statements were presented in New Zealand dollars. For this period and onwards, the directors have elected to present these financial statements in Australian Dollars, principally due to the fact as outlined above, that the primary economic activity of the Group being the allocation of and investment in assets under a portfolio, occurs in Australia.

SUBSEQUENT EVENTS

On 16 August 2023, PVL announced to the ASX that is had sold its convertible notes in Firmus Grid for $305,000. The gross proceeds represented the original investment plus the accrued interest.

No other matter or circumstance has arisen since the end of the year that has significantly affected or may significantly affect the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

Future Developments, Business Strategies and Prospects

PVL is well positioned with A$3,038,695 in cash and cash equivalents at 30 June 2023 to invest in selected companies that meet its elevated investment criteria.

With global demand for deep-tech space innovation and disruptive electrification and decarbonization technologies growing exponentially PVL can leverage its expanded network to invest in game-changing technologies that are going to shape a more resilient and decarbonised future and reward the investment capital that helped commercialise the underlying, enabling IP.

Risk Management

The following exposures to business risks may affect the Group's ability to deliver expected returns:
•Market risk – Investment returns are influenced by market factors such as economic conditions, investor sentiment, natural disasters, war and acts of terrorism. The investment portfolio has been structured so as to minimize market risks, but those risks cannot be eliminated.
•Liquidity risk – although the Group has significant cash holdings, future capital raises could be impacted by potential investors not having access to funds.
•Investee company risk – there are always inherent risk with early and growth stage companies such as business models or products becoming obsolete in fast changing markets, failing to reach milestones, failure to access funding and potentially failing to achieve timely exit strategies.

The Group uses a number of strategies to minimize these business risks, including contractual protections, regular touch points with investee companies and adherence to a clearly defined investment strategy.

DIRECTORS' REPORT (continued)

Indemnity and Insurance of officers

The Group has indemnified the directors and executives of the Group for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Group paid a premium in respect of a contract to insure the directors and executives of the Group against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and Insurance of auditors

The Group has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditors of the Group or any related entity against a liability incurred by the auditor.

During the financial year, the Group has not paid a premium in respect of a contract to insure the auditor of the Group or any related entity.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Shares under option

Unissued ordinary shares of Powerhouse Ventures Limited under option at the date of this report are as follows:

	Shares under option	Issue price	Exercise price	Expiry Date
Listed options (ASX:PVLO)	12,227,631	Nil	7 cents	31 December 2023
Unlisted options	16,000,000	Nil	11 cents	31 December 2023

No person entitled to exercise the options had or has any right by virtue of the option to participate in any share issue of the Company or of any other body corporate.

Further details of the shares under option can be found in Note 10 in the accompanying Financial Statements.

Non-audit services

Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 16 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 16 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as advocate for the Group or jointly sharing economic risks and rewards.

Environmental Regulation

The operations of the Group are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

Summary

Following the refresh of the Board of Directors in November 2021, the Group has seen the value of its portfolio companies increase to $7,625,700.

The Group has demonstrated it commitment to a reduced cash burn and achieved a significant improvement in Net Gain / (Loss) After Tax of $717,346.

REMUNERATION REPORT (AUDITED)

The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
●Principles used to determine the nature and amount of remuneration
●Details of remuneration
●Service agreements
●Share-based compensation
●Additional information
●Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
●competitiveness and reasonableness
●acceptability to shareholders
●performance linkage / alignment of executive compensation
●transparency

Given the Group has fewer than four Directors, the Board fulfills the role of the Nomination and Remuneration Committee. In this capacity the Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

In the year ended 30 June 2023 the Group did not formally engage a remuneration consultant, however the Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:

●having economic profit as a core component of plan design
●focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
●attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:

●rewarding capability and experience
●reflecting competitive reward for contribution to growth in shareholder wealth
●providing a clear structure for earning rewards

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

REMUNERATION REPORT (AUDITED)

Non-executive directors remuneration

Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market.

During the financial year ended 30 June 2023 the Board considered the appropriate levels of Directors fees to be paid as cash. Management undertook a review of similar size (market capitalisation) ASX-listed companies and concluded that the proposed level of directors fees was within the benchmark of those similar-sized ASX-listed companies.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Extraordinary General Meeting held on 17 May 2023, where the shareholders approved the adoption of a new Constitution which included a maximum annual aggregate remuneration of $300,000.

Executive remuneration

The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
●base pay and non-monetary benefits
●short-term performance incentives
●equity-based payments
●other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Where appropriate, contractor service agreements, fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the performance hurdles of executives with the best interests of shareholders. In the period ended 30 June 2023, the STI was limited to the unlisted options issued in the prior period expiring on 31 December 2023 (refer to Note 10 in the Financial Statements).

The long-term incentives ('LTI') include equity-based payments. There were no LTI payments during the year ended 30 June 2023.

The Group performance and link to remuneration

For the financial year ended 30 June 2023, the share-based incentive payments are dependent on market conditions, namely, defined volume weighted average share price targets being met. There are no performance hurdles applicable to incentive payments for the financial year ended 30 June 2023.

The Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

The table below shows the performance for the Group as measured by its share price, market capitalisation, distributions via dividends and capital returns and profit from all operations (discontinued or ongoing) over the last five financial years.

	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023
	$	$	$	$	$
Share price	0.070	0.050	0.100	0.065	0.052
Market capitalisation	2,051,821	1,606,345	9,274,318	7,848,306	6,278,645
Dividends paid	-	-	-	-	-
Capital Returns	-	-	-	-	-
Profit/(loss) for the year before income tax	(3,721,649)	(47,177)	(1,464,762)	(286,337)	717,346

REMUNERATION REPORT (AUDITED)

Voting and comments made at the Group's 2022 Annual General Meeting ('AGM'):
At the 2022 AGM, 98% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2022. The Group did not receive any specific feedback at the AGM regarding its remuneration practices.

(A) Key Management Personnel

The names and positions of key management personnel of the Group who have held office during the financial year are:

Directors:
James Kruger - Executive Chairman
Joseph Demase - Non-Executive Director
Joshua Baker - Non-Executive Director

Executives:
Geoffrey Nicholas - Chief Financial Officer
Ben Hodge - Chief Investment Officer
Campbell Hedley - Company Secretary (resigned 1 December 2022)

(B) Key Management Personnel Remuneration

	Short-Term Benefits	Post Employment Benefits	Share Based Payments	
2023	**Contractor Fees $**	**Superannuation $**	**Equity-settled Options $**	**Total $**
Non-Executive Directors:				
Joseph Demase	6,000	-	28,073	34,073
Joshua Baker	6,000	-	28,073	34,073
Executive Directors:				
James Kruger (Executive Chairman)	8,400	-	28,073	36,473
Other Key Management Personnel:				
Geoffrey Nicholas	105,600	-	13,983	119,583
Ben Hodge	107,500	-	-	107,500
Campbell Hedley (resigned 1 December 2022)	-	-	(6,108)	(6,108)
	233,500	**-**	**92,094**	**325,594**

	Short-Term Benefits	Post Employment Benefits	Share Based Payments	
2022	**Contractor Fees $**	**Superannuation $**	**Equity-settled Options $**	**Total $**
Non-Executive Directors:				
Joseph Demase	-	-	12,676	12,676
Joshua Baker	-	-	12,676	12,676
Russell Yardley (resigned 24 November 2021)	15,994	-	-	15,994
Geoff Gander (resigned 24 November 2021)	15,941	-	-	15,941
Nitesh Patel (resigned 24 November 2021)	5,093	-	-	5,093
Lachlan Armstrong(resigned 24 November 2021)	8,181	-	-	8,181
Peter McGrath (resigned 24 November 2021)	8,122	-	-	8,122
Tim Hannon (resigned 24 November 2021)	9,027	-	-	9,027
Executive Directors:				
James Kruger (Executive Chairman)	-	-	12,676	12,676
Other Key Management Personnel:				
Geoffrey Nicholas	17,170	-	6,279	23,449
Ben Hodge	32,892	-	-	32,892
Campbell Hedley (resigned 1 December 2022)	-	-	6,279	6,279
Jessica Henderson	4,914	346	-	5,260
	117,334	**346**	**50,586**	**168,266**

REMUNERATION REPORT (AUDITED)

(B) Key Management Personnel Remuneration (continued)

The proportion of remuneration linked to performance and the fixed proportion are as follows:

	Fixed Remuneration		At Risk - STI	
	2023	**2022**	**2023**	**2022**
Non-Executive Directors:				
Joseph Demase	18%	-	82%	-
Joshua Baker	18%	-	82%	-
Russell Yardley (resigned 24 November 2021)	-	100%	-	-
Geoff Gander (resigned 24 November 2021)	-	100%	-	-
Nitesh Patel (resigned 24 November 2021)	-	100%	-	-
Lachlan Armstrong(resigned 24 November 2021)	-	100%	-	-
Peter McGrath (resigned 24 November 2021)	-	100%	-	-
Tim Hannon (resigned 24 November 2021)	-	100%	-	-
Executive Directors:				
James Kruger (Executive Chairman)	23%	-	77%	-
Other Key Management Personnel:				
Geoffrey Nicholas	88%	73%	12%	27%
Ben Hodge	100%	100%	-	-
Campbell Hedley (resigned 1 December 2022)	-	-	100%	100%
Jessica Henderson	-	100%	-	-

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	James Kruger
Title:	Executive Chairman
Agreement Commenced:	24 November 2021
Term of Agreement:	3 years
Details:	Directors fees for the year ending 30 June 2024 of $50,400 to be reviewed annually by the Nomination and Remuneration Committee. 4 weeks termination notice by either party, 4,000,000 unlisted options expiring 31 December 2023, non-solicitation and non-compete clauses. There are no superannuation or leave entitlements payable nor accrued.

Name:	Joseph Demase
Title:	Non-Executive Director
Agreement Commenced:	24 November 2021
Term of Agreement:	3 years
Details:	Directors fees for the year ending 30 June 2024 of $36,000 to be reviewed annually by the Nomination and Remuneration Committee. 4 weeks termination notice by either party, 4,000,000 unlisted options expiring 31 December 2023, non-solicitation and non-compete clauses. There are no superannuation or leave entitlements payable nor accrued.

Service Agreements (continued)

Name:	Joshua Baker
Title:	Non-Executive Director
Agreement Commenced:	24 November 2021
Term of Agreement:	3 years
Details:	Directors fees for the year ending 30 June 2024 of $36,000 to be reviewed annually by the Nomination and Remuneration Committee. 4 weeks termination notice by either party, 4,000,000 unlisted options expiring 31 December 2023, non-solicitation and non-compete clauses. There are no superannuation or leave entitlements payable nor accrued.

Name:	Geoffrey Nicholas
Title:	Chief Financial Officer
Agreement Commenced:	1 November 2022
Term of Agreement:	1 year
Details:	Consulting fees for the year ending 30 June 2024 of $120,000 to be reviewed annually by the Nomination and Remuneration Committee. 4 weeks termination notice by either party, 2,000,000 unlisted options expiring 31 December 2023, non-solicitation and non-compete clauses. There are no superannuation or leave entitlements payable nor accrued.

Name:	Ben Hodge
Title:	Chief Investment Officer
Agreement Commenced:	1 November 2022
Term of Agreement:	1 year
Details:	Consulting fees for the year ending 30 June 2024 of $105,000 to be reviewed annually by the Nomination and Remuneration Committee. 4 weeks termination notice by either party, 2,000,000 unlisted options expiring 31 December 2023, non-solicitation and non-compete clauses. There are no superannuation or leave entitlements payable nor accrued.

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

Share-based compensation

Issue of shares
There were no shares issued to directors or other key management personnel as part of compensation during the year ended 30 June 2023.

Issue of Options
The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Name:	Number of options granted	Grant Date	Vesting Conditions	Expiry Date	Exercise Price	Fair Value per option at grant date
James Kruger	4,000,000	24 Nov 2021	Market Conditions	31 Dec 2023	$0.11	$0.05
Joseph Demase	4,000,000	24 Nov 2021	Market Conditions	31 Dec 2023	$0.11	$0.05
Joshua Baker	4,000,000	24 Nov 2021	Market Conditions	31 Dec 2023	$0.11	$0.05
Geoffrey Nicholas	2,000,000	3 Dec 2021	Market Conditions	31 Dec 2023	$0.11	$0.05

Options granted carry no dividend or voting rights.

All options were granted over unissued fully paid ordinary shares in the Company. The number of options granted was determined having regard to the satisfaction of performance measures and weightings as described above in the section 'Consolidated entity performance and link to remuneration'. Options vest based on the provision of service over the vesting period whereby the executive becomes beneficially entitled to the option on vesting date. Options are exercisable by the holder as from the vesting date. There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such options other than on their potential exercise.

REMUNERATION REPORT (AUDITED)

Share-based compensation (continued)

Values of options over ordinary shares granted, exercised and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2023 are set out below:

Name:	Value of options granted during the year $	Value of options exercised during the year $	Value of options lapsed during the year $	Remuneration consisting of options for the year %
James Kruger	-	-	-	-
Joseph Demase	-	-	-	-
Joshua Baker	-	-	-	-
Geoffrey Nicholas	-	-	-	-
Campbell Hedley	-	-	6,108	100

Additional disclosures relating to key management personnel

Shareholding:

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Name:	Balance at start of the year	Received as part of remuneration	Additions - Shares acquired on-market	Disposals / Other	Balance at end of the year
James Kruger	1,000,000	-	100,000	-	1,100,000
Joseph Demase	2,500,000	-	-	-	2,500,000
Joshua Baker	20,075,544	-	682,265	-	20,757,809
Geoffrey Nicholas	1,602,180	-	280,000	-	1,882,180
Ben Hodge	750,000	-	-	-	750,000
	25,927,724	-	1,062,265	-	26,989,989

Option holding:

The number of shares in the Company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

Name:	Balance at start of the year	Granted	Exercised	Expired / Forfeited / Other	Balance at end of the year
James Kruger	4,000,000	-	-	-	4,000,000
Joseph Demase	4,000,000	-	-	-	4,000,000
Joshua Baker	4,000,000	-	-	-	4,000,000
Geoffrey Nicholas	2,000,000	-	-	-	2,000,000
Campbell Hedley*	2,000,000	-	-	(2,000,000)	-
	16,000,000	-	-	(2,000,000)	14,000,000

* Disposals/other represents 2,000,000 unlisted options held at resignation date

Other transactions with key management personnel and their related parties

During the financial year the following payments were made:

•$12,265 (FY22 $2,043) to Lumo Partners Pty Ltd (director-related entity of James Kruger) for reimbursement of travel expenses incurred on behalf of the Group. The current trade payable balance as at 30 June 2023 was $nil. All transactions were made on normal commercial terms and conditions and at market rates.

•$4,933 (FY22 $3,679) to Studio Incorporate Pty Ltd (director-related entity of Joseph Demase) for website design services. The current trade payable balance as at 30 June 2023 was $nil. All transactions were made on normal commercial terms and conditions and at market rates.

•$659 (FY22 $5,256) to Webcentral Limited (director-related entity of Joseph Demase) for website hosting services. The current trade payable balance as at 30 June 2023 was $nil. All transactions were made on normal commercial terms and conditions and at market rates.

This concludes the remuneration report, which has been audited.

Changes since the end of the reporting period:
Nil 2023.

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

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:

— no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

— no contraventions of any applicable code of professional conduct in relation to the audit.

William Buck

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

N. S. Benbow
Director
Melbourne, 30 August 2023

Corporate Governance Statement

Powerhouse Ventures Limited
ACN 612 076 169 (*Company*)

The Board of Powerhouse Ventures Limited (**PVL** or **Company**) is committed to conducting the business of the Company in an ethical manner and in accordance with principles of best practice in corporate governance. The Board is responsible for ensuring the existence of an effective corporate governance environment to safeguard the interests of the Company, its shareholders and other stakeholders.

This statement sets out the Company's current compliance with the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations: 4th edition* (**Principles** or **Recommendations**), as at the date indicated. The Principles are not prescriptive regarding the conduct of ASX-listed companies but require a company to disclose the reasons why it is not complying fully with the Principles. To the extent that they are relevant and appropriate to PVL's present circumstances, the Company has adopted the Principles. This statement details where the Recommendations have not been followed, and the reasons therefore.

All references to the **Website** are to the investor section of the company's Website, which can be accessed at **www.phvl.com.au**
This statement was approved and adopted by the Company's Board on 29 August 2023.

ASX Corporate Governance Principle/Recommendation	Comply	Particulars of Compliance and If Not Why Not
Principle 1- Lay solid foundations for management and oversight		
Recommendation 1.1: A listed entity should disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	Yes	The Board's responsibilities are detailed in the Company's Board Charter. The Board Charter also sets out the responsibilities of the Chairman and regulates the relationship between the Board and management. The Board has established committees to oversee certain functions, including the Audit & Risk Committee and the Remuneration & Nomination Committee. A copy of the Board Charter is available on the Company's Website.
Recommendation 1.2: A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision	Yes	The Board and the Remuneration & Nomination Committee undertake appropriate checks, including police clearance checks, bankruptcy searches, verification of qualifications and experience of candidates, before appointing a Director or putting forward to Shareholders a candidate for election as a Director. All material information in relation to potential Directors will be provided to Shareholders as the need arises, including in the form of disclosures contained in an explanatory memorandum to a

ASX Corporate Governance Principle/Recommendation	Comply	Particulars of Compliance and If Not Why Not
on whether or not to elect or re-elect a director.		notice of meeting, seeking the approval of Shareholders for the election or re-election of Directors.
Recommendation 1.3: A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Each of the following Directors has consented to act as a Director and has received a formal letter of appointment which sets out his duties and responsibilities, rights and remuneration entitlements: • James Kruger • Joseph Demase • Joshua Baker Each of the following senior executives is engaged under a Service Agreement which sets out the terms on which the executive is employed, including details of the executive's duties and responsibilities, rights and remuneration entitlements: • Geoffrey Nicholas • Ben Hodge
Recommendation 1.4: The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	Yes	The Company has engaged Sally McDow (***Company Secretary***) to act as company secretary and provide company secretarial services to the Company. The Board Charter provides that the Company Secretary is directly accountable to the Board, through the Chair, in relation to matters relating to the proper functioning of the Board and governance requirements.
Recommendation 1.5: A listed entity should: (a) have and disclose a diversity policy; (b) through its board or a committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: (i) the measurable objectives set for that period to achieve gender diversity; (ii) the entity's progress towards achieving those objectives; and (iii) either: (a) the respective proportions of men and women on the board, in senior executive	Yes	The Company has a strong commitment to diversity and fair treatment in its business which is evidenced through its Diversity Policy. The Diversity Policy includes requirements for the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the Company's progress in achieving them. A copy of the Diversity Policy is available on the Company's Website. Considering the Company's nature and scale, it has set and achieved 2 out of 3 objectives for 2022/2023.

ASX Corporate Governance Principle/Recommendation	Comply	Particulars of Compliance and If Not Why Not
positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes); or (b) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.		
Recommendation 1.6: A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.	Yes	The Board Charter provides that the Board, with the assistance of the Remuneration & Nomination Committee, will review and evaluate the performance of the Board, each Board Committee and each individual Director, at least annually. In 2023, the Company conducted an annual self-review and evaluation of its own performance (with assistance the Company Secretary), including the Board's performance against the requirements of the Board Charter.
Recommendation 1.7: A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	Yes	The Executive Director periodically evaluates the performance of Company's senior executives in accordance with the provisions of Company's Remuneration & Nomination Committee Charter. A review was conducted during the Reporting Period. A copy of the Remuneration & Nomination Committee Charter is available on the Company's Website.
Principle 2 – Structure the board to be effective and add value		
Recommendation 2.1: The Board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee;	Yes	The Board has established a Remuneration & Nomination Committee to oversee the process of appointment, performance and remuneration of senior executives and employees of the Company. The Remuneration & Nomination Committee comprises three directors, a majority of whom are independent Directors. Where the Board has fewer than four members the duties of the Committee are discharged by the full Board.

ASX Corporate Governance Principle/Recommendation	Comply	Particulars of Compliance and If Not Why Not
(iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		The Company has disclosed the qualifications, experience and attendance at committee meetings of the members of the Remuneration and Nomination Committee in the Company's Directors' Report as part of the Annual Report. A copy of the Remuneration & Nomination Committee Charter is available on the Company's Website.
Recommendation 2.2: A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	The Board has developed a matrix to consider the mix of appropriate skills, experience, expertise and diversity for Board membership.

Industry knowledge & Experience	Number of Directors
Industry experience	3
Knowledge of industry	3
US sector experience &/ or knowledge	3

Technical skills	Number of Directors
Finance	3
Risk management	3
Strategy development & implementation	3
M&A	3
Capital management	3
Information technology	3
C-suite/ Board member	2

ASX Corporate Governance Principle/Recommendation	Comply	Particulars of Compliance and If Not Why Not
Recommendation 2.3: A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in the Principles but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	Yes	The Company considers a Director to be independent if the Director is independent of management and free of any business or other relationship that could materially interfere, or be perceived as interfering, with the exercise of an unfettered and independent judgment in relation to matters concerning the Company. The Board considers that the following Directors are independent: (a) Joseph Demase (appointed 24 November 2021) (b) Joshua Baker (appointed 24 November 2021) Information relating to the Directors of the Company, including whether they are independent, their skills, experience, expertise and period they have held office will be presented in the Director's Report section of the Annual Report or on the ASX Company Announcements Platform.
Recommendation 2.4: A majority of the board of a listed entity should be independent directors.	Yes	The Board comprises one Executive Chairman and two Non-executive Directors. All the Non-executive Directors are considered independent. In view of the size of the Company and the nature of its activities, the Board considers that the current mix of skills, qualifications and experience on the Board is consistent with the Company's current circumstances and its long-term interests. The Board intends to review its composition as the Company's operations evolve and may in the future appoint additional independent Directors as it deems appropriate.
Recommendation 2.5: The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	No	The Chair of PVL is James Kruger who is not independent. The Company believes that an independent Chair would not have necessarily improved the function of the Board, and that Mr Kruger’s skills and experience, combined with his deep experience and knowledge in the industry sectors in which the company operates, added value to PVL. There is currently no Chief Executive.

ASX Corporate Governance Principle/Recommendation	Comply	Particulars of Compliance and If Not Why Not
Recommendation 2.6: A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	The Remuneration & Nomination Committee Charter and Board Charter demonstrate the Company's compliance with this Recommendation. The Remuneration & Nomination Committee is responsible for the induction program for new directors and the development of a professional development program for Directors. Where the Board has fewer than four members the duties of the Committee are discharged by the full Board.
Principle 3 – Instil a culture of acting lawfully, ethically and responsibly		
Recommendation 3.1: A listed entity should articulate and disclose its values.	Yes	The Board has approved and adopted a statement of values and tasked the Executive Chairman with the responsibility of instilling those values across the organisation, including providing appropriate training on the values to employees. The Company's Statement of Values is disclosed on the Company's Website.
Recommendation 3.2: A listed entity should: (a) have and disclose a code of conduct for its directors, senior executives and employees; and (b) ensure that the board or a committee of the board is informed of any material breaches of that code.	Yes	The Board has established and adopted a Code of Conduct. The Code of Conduct is be reviewed regularly by the Board. The Code of Conduct sets out the Company's commitment to making positive economic, social and environmental contributions to each of the communities in which it operates, while complying with all applicable laws and regulations and acting in a manner that is consistent with the Company's foundational principles of honesty, integrity, fairness and respect. The Company takes appropriate steps to ensure that the Board is informed of any material breaches of the Code of Conduct. A copy of the Code of Conduct is available on the Company's Website.

ASX Corporate Governance Principle/Recommendation	Comply	Particulars of Compliance and If Not Why Not
Recommendation 3.3: A listed entity should: (a) have and disclose a whistleblower policy; and (b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.	Yes	The Board has established and adopted a Whistleblower Policy. The Whistleblower Policy will be reviewed regularly by the Board. The Company takes appropriate steps to ensure that the Board is informed of any material breaches of the Whistleblower Policy. A copy of the Company's Whistleblower Policy is available on the Company's Website.
Recommendation 3.4: A listed entity should: (a) have and disclose an anti-bribery and corruption policy; and (b) ensure that the board or a committee of the board is informed of any material breaches of that policy.	Yes	The Board has established and adopted a Fraud and Corruption Control Policy. The Fraud and Corruption Control Policy will be reviewed regularly by the Board. The Company takes appropriate steps to ensure that the Board is informed of any material breaches of the Anti-Bribery and Corruption Policy. A copy of the Company's Fraud and Corruption Control Policy is available on the Company's Website.
Principle 4 – Safeguard the integrity of corporate reports		
Recommendation 4.1: The board of a listed entity should: (a) have an audit committee which: (i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (ii) is chaired by an independent director, who is not the chair of the board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of	Yes	The Company has disclosed the fact that it does not have an audit committee or committees that satisfy (a) in the Company's Directors' Report as part of the Annual Report. The company has a charter for an audit committee, however as the board currently consists of 3 members only (being the minimum number required to form the committee) all audit committee matters are dealt with directly by the board. The processes PVL employ for overseeing the Company's audit management framework can be found in the Audit and Risk Committee Charter, a copy of which is available on the Company's Website.

ASX Corporate Governance Principle/Recommendation	Comply	Particulars of Compliance and If Not Why Not
the members at those meetings; or (b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.		
Recommendation 4.2: The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	The Board Charter and Audit & Risk Committee Charter make provision for the Executive Chairman and CFO to provide this declaration in accordance with section 295A of the *Corporations Act 2001* (Cth). The Executive Chairman and CFO provide a declaration to the Board in accordance with section 295A of the Corporations Act for each financial report and assure the Board that such declaration is founded on a sound system of risk management and internal control. Copies of each of the Board Charter and the Audit & Risk Committee Charter are available on the Company's Website.
Recommendation 4.3: A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	Periodic non-audited reports made to the market are verified through internal controls and processes.

ASX Corporate Governance Principle/Recommendation	Comply	Particulars of Compliance and If Not Why Not
Principle 5 – Make timely and balanced disclosure		
Recommendation 5.1: A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.	Yes	The Company has adopted a Continuous Disclosure Policy. This policy sets out, amongst other matters, the manner in which the Board will ensure compliance with the disclosure requirements of the ASX Listing Rules. A copy of the Continuous Disclosure Policy is available on the Company's Website.
Recommendation 5.2: A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.	Yes	Material market announcements are approved by the Board at regular board meetings scheduled to coincide with ASX filing timetable requirements. Other material market announcements will be circulated to the Board via e-mail.
Recommendation 5.3: A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	Results presentations and transcripts of the Chairman's address at annual general meetings are released on the ASX Market Announcements Platform before the start of the meetings. Other presentations to new or substantive shareholders or investor analysts are released on the ASX Market Announcements Platform prior to the relevant presentation.
Principle 6 – Respect the rights of security holders		
Recommendation 6.1: A listed entity should provide information about itself and its governance to investors via its Website.	Yes	A page on the Company's Website is dedicated to corporate governance.
Recommendation 6.2: A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	The Company has a Shareholder Communications Policy, which is included on the Company's Website. The Company has a comprehensive investor engagement program which includes briefings, presentations and events.
Recommendation 6.3: A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	The Company has adopted a Shareholder Communications Policy which sets out, amongst other things, the manner in which the Company will promote effective communication with shareholders and encourage their participation at general meetings. The Company also encourages shareholders to attend the Company's annual general meeting and to ask questions of the Board and the auditor and/or to submit questions in writing in advance. At each annual general meeting, the Board will ensure that: • a representative of the Company's auditors is in attendance to respond directly to questions on audit related matters;

ASX Corporate Governance Principle/Recommendation	Comply	Particulars of Compliance and If Not Why Not
		• information about the current developments is provided at the meeting, to make it easy for shareholders to participate and ask questions; and • the Chairman of the Board presents an address to the Annual General Meeting relating to current developments. A copy of the Shareholder Communications Policy is available on the Company's Website.
Recommendation 6.4: A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	Yes	All substantive resolutions at a meeting of shareholders will be conducted by poll.
Recommendation 6.5: A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company gives its Shareholders the opportunity to give and receive communications to and from both the Company and security registry electronically. Electronic communications to the Company may be sent via email to **info@phvl.com.au** The Company's Share Register is managed and maintained by Computershare Investor Services Pty Ltd. Shareholders can access their shareholding details or make enquiries about their current shareholding electronically by quoting their Shareholder Reference Number or Holder Identification Number, via **https://www.computershare.com/au**
Principle 7 – Recognise and manage risk		
Recommendation 7.1: The board of a listed entity should: (a) have a committee or committees to oversee risk, each of which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and	Yes	The Company has disclosed the fact that it does not have a risk committee or committees that satisfy (a) in the Company's Directors' Report as part of the Annual Report. The company has a charter for a risk committee, however as the board currently consists of 3 members only (being the minimum number required to form the committee) all risk committee matters are dealt with directly by the board. The processes PVL employ for overseeing the Company's risk management framework can be found in the Audit and Risk Committee Charter,

ASX Corporate Governance Principle/Recommendation	Comply	Particulars of Compliance and If Not Why Not
(v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a risk committee or committees that satisfy paragraph (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.		a copy of which is available on the Company's Website.
Recommendation 7.2: The board or a committee of the board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Yes	The Audit & Risk Committee is responsible for the review of the Company's risk management program, and for satisfying itself that it continues to be sound and that the Company is operating with due regard to the risk appetite set by the Board. A review of the Company's risk management program was conducted during the Reporting Period.
Recommendation 7.3: A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Yes	Given PVL's nature and scale, the Company does not have an internal audit function. However, The Board has in place the processes to evaluate and continually improve the effectiveness of its risk management and internal control processes. The Company's Audit and Risk Committee Charter can be found on the Company's Website.
Recommendation 7.4: A listed entity should disclose whether it has any material exposure to economic, environmental or social risks and, if it does, how it manages or intends to manage those risks.	Yes	The Board is responsible for the oversight and management of risk, including the identification of material business risks on an ongoing basis. A review of these material business risks has been conducted in the current period, which concluded that controls over risk management processes were adequate and effective. Details of the review are contained in the Company's Annual Report.
Principle 8 – Remunerate fairly and responsibly		

ASX Corporate Governance Principle/Recommendation	Comply	Particulars of Compliance and If Not Why Not
Recommendation 8.1: The board of a listed entity should: (a) have a remuneration committee which: (i) has at least three members, a majority of whom are independent directors; and (ii) is chaired by an independent director, and disclose: (iii) the charter of the committee; (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.	Yes	The Company has disclosed the fact that we do not have a Remuneration & Nomination Committee or Committees that satisfy (a) in the Company's Directors' Report as part of the Annual Report. The company has a charter for a Remuneration & Nomination Committee, however as the board currently consists of 3 members only (being the minimum number required to form the committee) all Remuneration & Nomination Committee matters are dealt with directly by the board. The processes PVL employ for overseeing the Company's Human Resources & Remuneration framework can be found in the Human Resources and Remuneration Committee Charter, a copy of which is available on the Company's Website.
Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	The Company has disclosed its policies and practices regarding the remuneration of Directors and senior executives in its annual Remuneration Report presented in the Annual Report.
Recommendation 8.3: A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Yes	The Company has adopted a Securities Trading Policy which prohibits relevant employees from entering into transactions that operate to limit the economic risk of holdings of unvested securities of the Company or vested securities of the Company which are subject to holding locks. A copy of the Company's securities Trading Policy is available on the Website.

Powerhouse Ventures Limited

Financial Statements

For the year ended 30 June 2023

Powerhouse Ventures Limited
Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

	Notes	2023 $	2022 $
Income			
Revenue from contracts with customers	3	212,105	469
Net unrealised changes in the fair value of investments	4	855,497	108,583
Realised gain/(loss) on investments at fair value through profit or loss	5	-	331,635
Foreign currency gains		182,448	107,158
Interest revenue		167,613	45,803
		1,417,663	**593,649**
Expenses			
Employee benefits expense	6	(118,981)	(124,968)
Contractors		(281,495)	(139,463)
Legal and professional costs		(152,545)	(273,366)
Travel		(60,383)	(2,490)
Other expenses	7	(86,912)	(339,699)
		(700,317)	**(879,985)**
Profit / (loss) before income tax		**717,346**	**(286,337)**
Income tax expense/(benefit)		-	-
Profit / (loss) after tax for the year		**717,346**	**(286,337)**
Other comprehensive income		-	-
Total comprehensive profit / (loss) for the year attributable to equity holders of the Group		**717,346**	**(286,337)**
Profit / (loss) per share:			
Basic (cents per share)	9	5.9	(2.8)
Diluted (cents per share)	9	5.9	(2.8)

The accompanying accounting policies and notes to the financial statements form an integral part of these financial statements.

Powerhouse Ventures Limited
Consolidated Statement of Financial Position
As at 30 June 2023

	Notes	2023 $	2022 $
ASSETS			
Current assets			
Cash and cash equivalents		3,038,695	4,022,110
Trade and other receivables		29,991	36,550
Prepayments		52,043	50,644
Total current assets		**3,120,730**	**4,109,304**
Non-current assets			
Investments in portfolio assets	**18**	7,625,700	5,941,846
Total non-current assets		**7,625,700**	**5,941,846**
Total assets		**10,746,429**	**10,051,150**
LIABILITIES			
Current liabilities			
Trade and other payables		24,525	19,122
Accruals		71,921	91,702
Vendor warranty provision	**7**	-	106,270
Total current liabilities		**96,446**	**217,094**
Total liabilities		**96,446**	**217,094**
Net assets		**10,649,983**	**9,834,056**
EQUITY			
Share capital	**8**	34,139,689	34,139,689
Share based payments reserve	**10**	378,980	280,399
Accumulated losses		(23,868,686)	(24,586,033)
Total equity		**10,649,983**	**9,834,056**

The accompanying accounting policies and notes to the financial statements form an integral part of these financial statements.

Powerhouse Ventures Limited
Consolidated Statement of Changes in Equity
For the year ended 30 June 2023

	Notes	Share capital	Share-based payment reserve	Accumulated losses	Total equity
		$	$	$	$
Balance at 1 July 2021		**31,530,019**	**289,528**	**(24,299,696)**	**7,519,851**
Total comprehensive gain / (loss) for the year		-	-	(286,337)	(286,337)
Transactions with owners in their capacity as owners:					
Increase/(decrease) in share capital	**10**	2,544,131	-	-	2,544,131
Exercise of options	**10**	65,540	(65,540)	-	-
Vesting charge of share-based payments	**10**		56,411	-	56,411
Balance at 30 June 2022		**34,139,689**	**280,399**	**(24,586,033)**	**9,834,056**
Balance at 1 July 2022		**34,139,689**	**280,399**	**(24,586,033)**	**9,834,056**
Total comprehensive gain / (loss) for the year		-	-	717,346	717,346
Transactions with owners in their capacity as owners:					
Vesting charge of share-based payments	**10**	-	104,689	-	104,689
Forfeit of options	**10**	-	(6,108)	-	(6,108)
Balance at 30 June 2023		**34,139,689**	**378,980**	**(23,868,686)**	**10,649,983**

The accompanying accounting policies and notes to the financial statements form an integral part of these financial statements.

Powerhouse Ventures Limited
Consolidated Statement of Cash Flows
For the year ended 30 June 2023

	Notes	2023 $	2022 $
Cash flows from operating activities			
Receipts from customers		481,174	144,496
Payments to suppliers and employees		(949,559)	(768,518)
Interest revenue		80,991	11,688
Net cash inflow/(outflow) from operating activities	**12**	**(387,393)**	**(612,333)**
Cash flows from investing activities			
Payment for investments		(596,021)	(2,894,633)
Sale of investments		-	644,761
Facilitation Fees		-	(9,550)
Net cash inflow/(outflow) from investing activities		**(596,021)**	**(2,259,423)**
Cash flows from financing activities			
Proceeds from issuance of shares		-	2,539,465
Proceeds from conversion of options		-	134,222
Equity issuance costs		-	(129,557)
Net cash inflow/(outflow) from financing activities		**-**	**2,544,131**
Net increase/(decrease) in cash and cash equivalents		**(983,414)**	**(327,625)**
Cash and cash equivalents at the beginning of the year		4,022,110	4,349,735
Cash and cash equivalents at the end of the year		**3,038,695**	**4,022,110**

The accompanying accounting policies and notes to the financial statements form an integral part of these financial statements.

1 Significant accounting policies

Statement of compliance

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

There was no material impact on these financial statements arising from the adoption of these Standards and Interpretations, nor of any Standards and Interpretations that are due to become mandatory in future reporting periods.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
These financial statements have been prepared applying the historical cost convention, except for the fair valuation of its investments in portfolio assets, as disclosed in note 20.

Critical judgements in applying accounting policies
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Change in functional currency
On 22 May 2023, Powerhouse Ventures Limited reincorporated and was redomiciled from New Zealand to Australia, as permitted under sections 350 to 356 of the Companies Act 1993 (New Zealand) and Part 5B.1 of the Corporations Act 2001 (Cth), (the Reincorporation). The Reincorporation followed a decision made by the Directors effective to 1 July 2022 that determined that the functional currency of this legal entity ceased to be New Zealand dollars, and became Australian Dollars as at that date. In making this decision, the directors considered that the allocation of and investment in assets under a portfolio, which is the primary economic activity conducted by the Group occurred no longer in New Zealand, but in Australia.

Change in presentation currency
In previous reporting periods up to 30 June 2022 these consolidated financial statements were presented in New Zealand dollars. For this period and onwards, the directors have elected to present these financial statements in Australian Dollars, principally due to the fact as outlined above, that the primary economic activity of the Group being the allocation of and investment in assets under a portfolio, occurs in Australia.

Accounting for investments and basis for consolidation

Investments in subsidiaries where the primary purpose of the subsidiary is to provide services relating to investment activities
Powerhouse Ventures Limited (the Company or the parent entity) holds 100% investments in Powerhouse Ventures Australia Pty Ltd, which is incorporated and domiciled in Australia, and Powerhouse Venture Managers Limited, which is incorporated and domiciled in New Zealand (the Subsidiaries). The entities assist the Company in rendering its investment activities. As these investments are 100% controlled (economically and through voting interest) by the Company, they are fully consolidated in these financial statements, with any intercompany transactions or period-end balances between any of these entities eliminated on consolidation. There was no change in the ownership of the Subsidiaries for the year. Collectively the Company and its Subsidiaries are referred to as the Group in these financial statements.

Investments in portfolio assets
Investments in portfolio assets, where the purpose of holding that portfolio assets is for capital appreciation, investment income or both are initially and thereafter recognised at fair value through profit or loss.

Parent Entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 21.

1 Significant accounting policies (continued)

The following specific accounting policies have been adopted in the preparation and presentation of the financial statements.

(a) Revenue recognition

Revenue from contracts with customers:

Revenue is recognised at an amount that reflects the consideration to which the consolidated entity is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the consolidated entity: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Rendering of services:

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest:

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Dividend income:

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

(b) Goods and service tax

With the exception of trade payables and receivables, all items are stated exclusive of goods and services tax.

(c) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the statement of cash flows presentation purposes, cash and cash equivalents also includes bank overdrafts, which are shown within borrowings in current liabilities on the statement of financial position.

(d) Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

1 Significant accounting policies (continued)

(e) Equity settled share based payments

Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:
● during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by expired portion of the vesting period.
● from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

(f) Trade and other payables

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

1 Significant accounting policies (continued)

(g) Issued capital

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.

(h) Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Powerhouse Ventures Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(i) Foreign Currency Translation

Foreign currency transactions
Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

2 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

(a) Income tax

As at 30 June 2023 the Group has accrued $17,557 in accumulated losses, which represents tax losses incurred in Australia from the period of its reincorporation into Australia from New Zealand. The directors have considered these reported tax losses and have determined that any potential tax credits that may arise for use in potential future tax returns do not, at this stage, represent deferred tax assets, primarily as there is doubt as to whether or not assessable income will be derived in future reporting periods to utilize such credits and also whether or not such credits will be available to be applied against such assessable income under Australian taxation loss carry-forward rules.

Under New Zealand Corporations Law, following the reincorporation in Australia the corporate entity was required to be deregistered in New Zealand. As a result of the deregistration the accumulated losses at the time of deregistration were not transferrable to Australia, nor another entity, and consequently the accumulated tax losses of NZ$6,455,376 were extinguished.

2 Critical accounting judgements, estimates and assumptions (continued)

(b) Fair value

As set out in Note 18, the Group's investment portfolio consists almost entirely of unquoted equity and hybrid debt securities that are either Level 2 or Level 3 fair valuations.

The directors consider Level 2 valuations relate to investments for which recent pricing transaction is available from a substantial capital raising transaction on arms-length terms. In determining the applicability of this measurement basis, the directors consider that "recent" relates to an observable equity transaction in that investment not greater than 12 months, "substantial capital raising transaction" applies to at least a 5% change in the overall capital structure of the investment and that there is no further information publicly available that would otherwise materially alter the value priced into the observable transaction as at reporting date.

For Level 2 investments the Directors may also consider that "recent" equity transactions would include pricing data where shares in investment companies have been bought and sold off-market in the previous 12 months.

The directors consider Level 3 valuations to be those for investments where no recent pricing information is available. In such situations alternative valuation bases are applied.

In Level 3 equity securities that have historical revenues and are loss-making, the directors may apply a valuation basis premised upon observable multiples supporting valuations of like-for-like enterprises in observable market data (adjusted for the leverage of the entity). The directors may also consider applying a probability weighted expected return method where there is a lack of market observable data available from like-for-like enterprises.

For pre-revenue enterprises, this valuation would alternatively be reflected on a Milestone Adjusted Scorecard basis.

For hybrid debt securities this typically incorporates an assessment of the likelihood of a conversion to an equity investment (and then, by analogy, applying a valuation appropriate to an equity security) or if to be carried as a debt-bearing instrument an assessment of a discount rate appropriate to the security that takes into account both market interest rates and an assessment of credit risk of the investee.

Periodically the directors externally source an independent expert to review the Group's Investment Policy and Valuation Policy. On at least an annual basis, a qualified expert is engaged to provide a valuation report on the Group's individually material Level 3 investments.

3 Revenue from contracts with customers

	2023	2022
	$	$
Services provided	-	469
Retainer fees	212,105	-
Total revenue from contracts with customers	**212,105**	**469**

Revenue from contracts with customers in the current period is earned over time and largely derived from the provision of advisory services.

4 Net changes in fair value of investments at fair value through profit or loss

	2023	2022
	$	$
Revaluation gains on investments at fair value through profit or loss	1,103,592	851,855
Revaluation losses on investments at fair value through profit or loss	(248,095)	(743,272)
Net gain / (loss) on investments at fair value through profit or loss	**855,497**	**108,583**

Revaluation gains in the current year include Skykraft of $680,600, Ferronova of $278,230, Inhibit Coatings of $135,032, Firmus Grid of $4,029 and Olympio Metals of $5,701 (2022: Cirrus Materials $844,335 and Olympio Metals of $7,520).

Revaluation losses in the current year include Certus Bio of $128,826, CourseLoop of $94,269 and Flomatrix of $25,000 (2022: Objective Acuity of $417,477, Certus Bio of $309,377 and Deliveon Health of $16,418).

5 Realised gain / (loss) on investments at fair value through profit or loss

	2023	2022
	$	$
Realised gain / (loss) on investments at fair value through profit or loss	-	331,635
Net realised gain / (loss) on investments at fair value through profit or loss	**-**	**331,635**

There were no realised gains in the current year (2022: EdPotential of $331,635)

6 Employee benefits expense

	2023	2022
	$	$
Salaries	-	4,860
Equity-settled share based payments	-	20,167
Kiwisaver defined contribution plans	-	342
Directors' fees - cash	20,400	61,201
Directors' fees - equity settled	98,581	38,397
Total employee benefits expense	**118,981**	**124,968**

7 Other Expenses

Other expenses in the Statement of Comprehensive Income include the following:

	2023	2022
	$	$
Accounting, assurance and tax advisory	102,776	154,643
Insurance	80,342	49,790
Office costs and short-term rent	20,958	17,301
Vendor warranties	(102,145)	117,242
GST recovered	(22,179)	-
Other expenses	7,161	722
Total Other Expenses	**86,912**	**339,699**

Vendor warranty expense for the current period was ($102,145) being the write back of potential vendor warranties provided for in 2022 ($117,242). (2022: $110,326 of potential vendor warranties arising from the sale of EdPotential and $6,912 provision for bad debts)

On 30 November 2021 the Group disposed of its investment in EdPotential for consideration of $NZ353,499. As part of the sale, a warranty was entered into valued at $AUD110,535, which meant that this portion of consideration (which was limited to the Group's percentage ownership) received on the disposal could be refundable to the purchaser in the event certain sale conditions were not met. This warranty exposure expired one year after the sale date, that is, 30 November 2022.

8 Share capital

Number of ordinary shares authorised, issued and fully paid

	2023 Shares	2022 Shares
Opening balance	120,743,176	92,743,176
Shares issued during the period for cash	-	28,000,000
Closing balance	**120,743,176**	**120,743,176**

Number of listed options (PVLO)

	2023 Options	2022 Options
Opening balance	12,227,631	14,227,631
Options converted to shares	-	(2,000,000)
Closing balance	**12,227,631**	**12,227,631**

Number of unlisted options
Options issued under share based payment incentive plan:

	2023 Options	2022 Options
Opening balance	18,000,000	18,000,000
Options forfeited	(2,000,000)	-
Closing balance	**16,000,000**	**18,000,000**

9 Earnings per share calculation

Basic loss per share (refer to Statement of Comprehensive Income and Note 8)

	2023	2022
Basic profit / (loss) per share (cents)	5.9	(2.8)
Profits / (losses) used in the calculation of total basic loss per share	$717,346	$(286,337)
Weighted average number of ordinary shares for the purposes of basic loss per share	120,743,176	103,411,669

Diluted loss per share (refer to Statement of Comprehensive Income and Note 10)

	2023	2022
Diluted loss per share (cents)	5.9	(2.8)
Profits / (losses) used in the calculation of total basic loss per share	$717,346	$(286,337)
Weighted average number of ordinary shares for the purposes of diluted loss per share	120,743,176	103,411,669

The 12,227,631 listed options and 16,000,000 unlisted options on issue could potentially dilute basic earnings per share in the future, but were excluded in the calculation of diluted earnings because for the period ended 30 June 2023 all options were not "in the money". For the 12 months ended 30 June 2023 the average market price of ordinary shares was 6.1 cents per share which was less than the exercise price of both the listed options and unlisted option (7 cents per share and 11 cents per share respectively).

10 Equity-settled share based payments

During the year there was no new share-based payment arrangement securities granted or issued to employees, directors or management. The vesting charge taken to the share based payment reserve reflects the vesting charge of share options as disclosed in the share capital note. All of the unlisted options in table below are exercisable at $0.11 and none were exercisable at 30 June 2023.

Reconciliation of unlisted options

	Opening Balance 01 July 2022	Grant Date	Granted	Vested	Forfeited	Lapsed	Closing Balance 30 June 2023	Fair Value	P/L Expense
	Qty		Qty	Qty	Qty	Qty	Qty	$	$
Directors									
James Kruger	4,000,000	24-Nov-21	-	-	-	-	4,000,000	40,401	28,073
Joseph Demase	4,000,000	24-Nov-21	-	-	-	-	4,000,000	40,401	28,073
Joshua Baker	4,000,000	24-Nov-21	-	-	-	-	4,000,000	40,401	28,073
Other Key Management Personnel									
Campbell Hedley	2,000,000	03-Dec-21	-	-	(2,000,000)	-	0	0	(6,108)
Geoffrey Nicholas	2,000,000	03-Dec-21	-	-	-	-	2,000,000	20,091	13,983
Other Recipients									
Shaun Wilson	1,000,000	03-May-22	-	-	-	-	1,000,000	6,849	3,245
Ross Gregory	1,000,000	03-May-22	-	-	-	-	1,000,000	6,849	3,245
Total	**18,000,000**		-	-	**(2,000,000)**	-	**16,000,000**	**154,991**	**98,581**

11 Trade and other payables

	2023	2022
	$	$
Trade payables	24,525	19,122
Other accruals	71,921	91,702
Total trade and other payables	**96,446**	**110,824**

12 Reconciliation of profit/(loss) after taxation to net cash inflows/(outflows) from operating activities

	2023	2022
	$	$
Loss for the year	717,346	(286,337)
(Less)/plus non cash items		
Net changes in fair value of investments at fair value through profit or loss	(855,497)	(440,219)
Interest income capitalized in the value of investments	(86,622)	(34,115)
Equity-settled payment expense	98,581	56,411
FX impact on the value of investments	(145,713)	36,234
(Less)/plus changes in working capital		
(Decrease)/increase in provisions	(106,270)	106,270
Decrease/(increase) in trade and other receivables	5,159	(37,782)
(Decrease)/increase in trade and other payables	(14,378)	(12,796)
Net cash inflow/(outflow) from operating activities	**(387,393)**	**(612,333)**

13 Segment Information

Reportable segments

Under AASB 8 operating segments, as at 30 June 2023, the Group has operated one operating segment: investment in early stage companies using IP developed in emerging technologies such as electrification & decarbonisation, next generation computing, space technologies, and healthcare and wellness. The geographic segment is Australia. The chief operating decision maker is the Executive Chairman.

14 Commitments

From time to time, the Group may make investments that mandatorily require future calls of capital. As at 30 June 2023 there were no capital calls payable in future periods (30 June 2022: nil).

15 Contingencies

Contingent liabilities

There were no contingent liabilities as at 30 June 2023 (2022: nil).

16 Remuneration of Auditors

	2023 $	2022 $
Audit of the financial statements:		
- Grant Thornton New Zealand Audit, Christchurch	-	77,271
- William Buck Audit (NZ)	-	-
- William Buck Audit (Vic)	36,000	-
Review of interim financial statements		
- Grant Thornton New Zealand Audit, Christchurch	-	28,320
- William Buck Audit (NZ)	34,831	-
- William Buck Audit (Vic)	-	-
Other non-assurance services		
- William Buck Audit (NZ)	22,883	-
Total remuneration paid to auditors	**93,714**	**105,591**

As previously advised to the ASX on 10 November 2022, the Group changed its auditors from Grant Thornton New Zealand Audit, Christchurch to William Buck Audit (NZ) and William Buck Audit (Vic).

Subsequent to the change of auditors in November 2022, the Group engaged the incoming auditor, William Buck Audit (NZ) to undertake a detailed review of the Group's Valuation methodology and processes.

17 Related party transactions

(i) Key management personnel compensation
The key management personnel of the Group consists of the executive and non executive management team.

	2023 $	2022 $
Short-term employee benefits	233,500	117,680
Equity-settled share based	92,094	50,586
Total key management personnel compensation	**325,594**	**168,266**

(ii) Transactions with related parties
The following transactions occurred with related parties during the year

	2023 $	2022 $
Lumo Partners Pty Ltd	12,265	2,043
Studio Incorporate Pty Ltd	4,933	3,679
Webcentral Limited	659	5,256
Total transactions with related parties	**17,857**	**10,978**

The Group paid $12,265 (FY22 $2,043) to Lumo Partners Pty Ltd (director-related entity of James Kruger) for reimbursement of travel expenses incurred on behalf of the Group. All transactions were made on normal commercial terms and conditions and at market rates.

The Group paid $4,933 (FY22 $3,679) to Studio Incorporate Pty Ltd (director-related entity of Joseph Demase) for website design services. All transactions were made on normal commercial terms and conditions and at market rates.

The Group paid $659 (FY22 $5,256) to Webcentral Limited (director-related entity of Joseph Demase) for website hosting services. All transactions were made on normal commercial terms and conditions and at market rates.

There were no outstanding payments due to related parties as at 30 June 2023.

18 Investments in portfolio assets held at fair value through profit or loss

(i) Investments in equity instruments

The Group has investments in a portfolio of early, pre-revenue or expansion stage unlisted companies recognised at$7,625,700 (2022: $5,941,846). These investments are accounted for as financial assets at fair value through profit or loss. During the period, a net gain of $855,497 (2022: net gain of $108,583) was recognised through profit or loss for these assets. The following tables give information about the Group's holdings and how the fair values of these investments are determined (in particular, the valuation technique(s) and inputs used). All of the following investments are Level 2 or Level 3 in the fair value hierarchy, with the exception of Olympio Metals Limited which is Level 1. This means the valuation techniques include inputs for which market observable data is not available (unobservable inputs).

Ownership Summary	**30 June 2023**			**30 June 2022**		
	Shares held	**Total Shares**	**% Ownership**	**Shares held**	**Total Shares**	**% Ownership**
Photonic Innovations Limited	1,498,246	4,903,375	30.6%	1,498,246	4,903,375	30.6%
Veritide Limited [2]	266,900	3,411,831	7.8%	26,689,948	341,183,174	7.8%
Deliveon Health Limited	17,500	155,001	11.3%	17,500	155,001	11.3%
CertusBio Limited	366,010	1,931,703	18.9%	366,010	1,916,703	19.1%
Inhibit Coatings Limited	150,000	1,001,372	15.0%	150,000	859,701	17.4%
Ferronova Pty Limited	139,115	2,495,735	5.6%	139,115	1,106,446	12.6%
Fluent Scientific Limited	1,060,094	6,886,252	15.4%	1,060,094	6,886,252	15.4%
Hi-Aspect Limited	150,000	1,677,087	8.9%	150,000	1,677,087	8.9%
Avalia Immunotherapies Limited	417,906	4,395,759	9.5%	417,906	4,395,759	9.5%
Cirrus Materials Science Limited	190,000	2,887,180	6.6%	190,000	2,816,180	6.7%
Olympio Metals Limited (ex-Croplogic)	63,143	54,425,434	0.1%	63,143	5,064,547	1.2%
Modlar Limited	261,728	2,631,079	9.9%	261,728	2,631,079	9.9%
Skykraft	282	23,121	1.2%	282	16,694	1.7%
Saccade Analytics (Neuroflex)	192,588	19,532,693	1.0%	192,588	19,532,693	1.0%
Urbix Resources	5,556	2,281,525	0.2%	5,556	1,883,387	0.3%
Liquid Instruments	68,073	22,195,305	0.3%	-	-	-
CourseLoop [3]	46,192	2,531,098	1.8%	-	-	-

[1] Total Shares and shareholding percentages are based on issued shares. Effective shareholdings maybe be lower due to the dilutionary impact of any employee options of financial instruments such as convertible notes.

[2] Veritide Limited completed a 100:1 share consolidation on 05 December 2022

[3] The Group held an interest in debt instruments issued by the investee company and this interest was converted into shares on 31 December 2022.

The following tables summarise the Group's investments in portfolio assets by type and level:

	2023	**2022**
	$	**$**
Unlisted equity securities	6,589,843	4,555,774
Convertible notes	847,912	1,184,677
SAFE notes	175,000	194,152
Listed equity securities	12,945	7,244
Total	**7,625,700**	**5,941,846**

	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Balance at 1 July 2022	**7,244**	**-**	**5,934,602**	**5,941,846**
Transfers between hierarchy levels	-	4,185,142	(4,185,142)	-
Additions	-	596,021	-	596,021
Fair value gain / (loss)	5,701	958,830	(109,034)	855,497
Foreign currency gain / (loss)	-	99,351	46,362	145,713
Interest income capitalized	-	40,000	46,623	86,623
Balance at 30 June 2023	**12,945**	**5,879,344**	**1,733,411**	**7,625,700**
Balance at 1 July 2021	**-**	**-**	**2,846,425**	**2,846,425**
Transfers between hierarchy levels	7,244	-	(7,244)	-
Additions	-	-	2,908,205	2,908,205
Fair Value gain / (loss)	-	-	108,583	108,583
Foreign currency gain / (loss)	-	-	45,735	45,735
Interest income capitalized	-	-	32,898	32,898
Balance at 30 June 2022	**7,244**	**-**	**5,934,602**	**5,941,846**

In the 12 months to June 2023 a number of investee companies undertook substantial capital raising transactions that justified the transfer between hierarchies. The observable equity transactions qualified as recent, substantial in terms of representing more than 5% change in the companies' overall capital structure and in each case there is no further information publicly available that would materially alter the fair value.

The investee companies that constitute the transfer to Level 2 are Cirrus Materials, Ferronova, Skykraft, Neuroflex, Liquid Instruments, Urbix Resources and Quantum Brilliance.

18 Investments in portfolio assets held at fair value through profit or loss

(ii) Fair value, valuation technique(s) and unobservable inputs used in measuring investments

Fair value as at 30 June 2023

Investment Type	Valuation technique(s) and unobservable input(s)	Fair Value ($)
1) Level 1 - Olympio Metals (Croplogic)	Quoted Market Price	12,945
2) Level 2 - Cirrus Materials - Ferronova - Skykraft - Neuroflex - Quantum Brilliance - Urbix Resources - Liquid Instruments	Priced on substantial pricing event (capital raise or arms-length transaction) together with milestone analysis subsequent to that date of transaction	5,879,344
3) Level 3 - Deliveon Health - Fluent Scientific - Avalia Immunotherapies - Hi-Aspect - Photonic Innovations - Modlar Limited - Veritide - CertusBio - Inhibit Coatings - CourseLoop - Firmus Grid - Flomatrix	Milestone adjusted scorecard, discounted cash flow, revenue multiple, probability weighted expected return method	1,733,411
Total Investment at fair value		**7,625,700**

Fair value as at 30 June 2022

Investment Type	Valuation technique(s) and unobservable input(s)	Fair Value ($)
1) Level 1 - Olympio Metals (Croplogic)	Quoted Market Price	7,244
2) Level 2	Nil	-
3) Level 3 - Deliveon Health - Fluent Scientific - Avalia Immunotherapies - Hi-Aspect - Photonic Innovations - Modlar Limited - Veritide - CertusBio - Inhibit Coatings - Cirrus Materials - Ferronova - Skykraft - Quantum Brilliance - Urbix Resources - Liquid Instruments - CourseLoop - Neuroflex - Firmus Grid - Flomatrix	Milestone adjusted scorecard, discounted cash flow, probability weighted expected return method	5,934,602
Total Investment at fair value		**5,941,846**

18 Investments in portfolio assets held at fair value through profit or loss

(iii) Sensitivity of fair value measurement to changes in unobservable inputs

The relationships between the significant unobservable inputs and the fair value are as follows:

Unobservable Inputs	Impact on fair value from increase in input	Impact on fair value from decrease in input
Weighted average cost of capital	A 15% increase in the discount rate resulted in a decrease in the fair value of impacted investments of $82,480.	A 15% decrease in the discount rate resulted in an increase in the fair value of impacted investments of $80,907.
Probability-weighted expected return (PWERM)	A 15% increase in the PWERM rate resulted in a decrease in the fair value of impacted investments of $13,364	A 15% decrease in the PWERM rate resulted in an increase in the fair value of impacted investments of $15,655.
Revenue Multiple	A 15% increase in the revenue multiple resulted in an increase in the fair value of impacted investments of $60,032	A 15% decrease in the revenue multiple resulted in a decrease in the fair value of impacted investments of $59,431.

There were no significant interrelationships between unobservable inputs except as indicated above.

19 Financial Instruments

(a) Financial risk management objectives

The Group has approved detailed capital and liquidity management policies. In accordance with the policies, when capital and liquidity balances dictate, the orderly and efficient management of working capital and cash will enable the Group to:

● meet its operating expenses;
● invest in existing portfolio companies and new investment opportunities as they arise and are recommended for approval;
● avoid forced asset sale situations;
● avoid stressed negotiations for debt limits and pricing;
● take full advantage of favourable market conditions for equity capital raising; and
● avoid the need to raise capital under subdued market conditions.

The Group's working capital management includes equity capital management, as this is the primary means for funding the Group's operations during the investment cycle of balance sheet utilisation. The Group has altered its business model to include the recycling of capital from liquidity events.

As the Group is unlikely to be able to fund its operations to a significant degree through borrowings, access to recycled capital from liquidity events and strict operational cost control are central to the Group's capital and liquidity management policy. The Group has adopted an integrated planning capability to ensure that the routine finance tasks come together to establish a strategic view. This integrated approach to capital and liquidity management includes processes that seek to address:

● alignment of strategy and risk (understand risk versus returns);
● considered and strategic allocation of capital;
● increased stakeholder confidence;
● management and board collaboration;
● strategic analysis of new opportunities;
● alignment of management actions and rewards; and
● timely reporting.

The Group has set the following balance sheet composition limits which are designed to maximise the financial returns whilst preserving investment flexibility and the ability to meet business critical objectives. The limits apply where cash balances exceed those required to prudently meet the ongoing operations of the business. The limits are as follows:

Asset pool type	Financial asset type	Percentage holding
A1	Cash & Cash equivalents[1]	At least a minimum of an average quarter's net cash burn rate from operations
A2	Term deposits > 90 days	Any excess funds not required to fund ongoing operations or near-term investment commitments
B1	Investments in other non-bank investment products	Any excess funds not required to meet commitments under A1 or A2.

[1] In accordance with AASB 107 Statement of Cash Flows, Cash & Cash Equivalents s are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. For an investment to qualify as a cash equivalent it must be readily convertible to a known amount of cash and be subject to an insignificant risk of changes in capital value. Therefore, an investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition.

The Group ensures that whenever possible (whilst preserving scale efficiencies), staggered maturity/roll-over dates are employed within the liquid asset portfolio.

To minimise counterparty risk where practicable, and allowing for efficiencies of scale, the Board / Exec shall periodically review the composition of the liquid asset pool with a view to minimizing exposure to any one institution.

19 Financial Instruments (continued)

(b) Market Liquidity Risk

Market liquidity risk is the risk that insufficient liquidity in the market for a security will limit the ability of the security to be sold, resulting in the Group suffering a financial loss. The Group is subject to market liquidity risk if investments are made in relatively illiquid securities. This exposure to market liquidity risk is an unavoidable feature of the Group's operating model. The objective of the Group's market liquidity risk management is to ensure that other assets can be readily liquidated without incurring excessive cost, to enable asset allocation decisions to be implemented or to meet cash flow requirements.

(c) Interest rate risk

Interest rate risk is the risk that the Group could suffer either a capital loss or additional exposure to liquidity risk through adverse movements in interest rates. The objective of the Group's interest rate risk management is to ensure that the Group is not exposed to a level of interest rate risk, outside those limits anticipated through the structured approach envisaged within the Group's risk management policy.

The Group manages interest rate risk by ensuring tactical asset allocation which provides for the effective management of interest rate and associated liquidity risk. The approach to managing the investment of funds ensures that there is adequate matching of the duration of assets with the likely cash needs of the business. The Group monitors the effect upon yield and liquidity of probable movements in interest rates and manages its liquid asset holdings accordingly.

Given the Group's convertible and SAFE notes have maturity dates of less than 12 months, management has determined that there is no material exposure to interest rate risk in the financial statements.

(d) Equity price risk

Equity price risk is the risk that the Group's investments in equities are exposed to movements that are not correlated to the general or targeted market. The pricing of these equities is based primarily on information provided by the investee companies and not the market. Accordingly, the Group manages this equity price risk by monitoring these investments regularly and applying its own discount factors to inputs provided by the investee company.

A 15% change in the carrying value of the Group's investments in equities would result in a change of $990,418 to the fair value of those securities, with a corresponding credit or charge to the profit or loss.

19 Financial Instruments (continued)

(e) Foreign currency risk management

As at 30 June, the Group held the following investments in foreign currencies other than the Australian dollar:

	2023 $	2022 $
New Zealand dollars	2,632,000	2,590,546
US dollars	1,359,865	711,650
Canadian dollars	256,365	239,788
	4,248,230	3,541,983

Foreign currency sensitivity analysis

The below tables show the Group's sensitivity to a 10% increase or decrease in the foreign currency rate on the fair value of the foreign investment. As the Group does not use any derivative financial instruments to hedge its foreign currency risk, this has been determined based on translating the foreign investment at rate 10% higher/lower than actual rates used for the translation of the foreign investment. A positive number below represents an increase in profit and equity and a negative number represents a decrease in profit and equity.

	2023 $	2022 $
10% movement in the AUD / foreign currency rates		
New Zealand dollars	(263,200)	(259,055)
US dollars	(135,987)	(71,165)
Canadian dollars	(25,636)	(23,979)

(f) Credit risk

Credit risk is the risk that a counter party will default on its contractual obligations, resulting in financial loss to the Group. The Group has material investments in convertible and SAFE notes which comprise both debt and equity. The maximum credit exposure is represented in the carrying value of the convertible and SAFE notes which at 30 June 2023 were $1,022,912 (2022: $1,378,829).

The table below compares the face value of each note to its fair value at 30 June 2023.

	2023 $ Face value	2023 $ Fair Value	2022 $ Face value	2022 $ Fair Value
Convertible notes [1]	843,883	847,912	1,219,541	1,184,677
SAFE notes	200,000	175,000	200,000	194,152

[1] The Group held an interest in a debt instruments issued by CourseLoop and this interest was converted into shares on 31 December 2022.

2 The face value comprises the initial convertible note face value plus the capitalised interest earned to the end of the financial year.

(g) Liquidity Risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. As the Group's major cash outflows are the purchase of investments, the level of this is managed by the Board. The Group also manages this risk through the following mechanisms:
• preparing forward-looking cash flow analyses in relation to operating, investing and financing activities;
• managing credit risk related to financial assets;
• maintaining a clear exit strategy on financial assets; and
• investing surplus cash only with major financial institutions.

At 30 June 2023 the Group's liabilities were $96,446 (2022: $217,094) and as such management deemed that the liquidity risk was immaterial.

20 Matters subsequent to the end of the financial year

Since the end of the financial year, the Board accepted an offer to buy the Group's convertible notes in Firmus Grid. The gross proceeds from the sale of $305,000 represents the value of the original investment plus the accrued interest.

The directors are unaware of any other matter that would impact recorded amounts or disclosures made in these financial statements.

21 Parent entity information

	Parent	
Statement of profit or loss and other comprehensive income	**2023**	**2022**
	$	**$**
Profit or loss after income tax	612,510	(286,337)
Total comprehensive income	**612,510**	**(286,337)**
Statement of financial position		
Total current assets	4,114,690	4,109,304
Total assets	6,217,478	7,551,221
Total current liabilities	71,981	217,094
Total liabilities	71,981	217,165
Equity		
Issued Capital	34,139,689	34,139,689
Share-based payment reserve	378,980	280,399
Accumulated losses	(28,373,173)	(27,086,033)
Total equity	**6,145,496**	**7,334,056**

22 Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following wholly-owned subsidiaries in accordance with the accounting policy described in note 1:

Name	**Principal place of business / Country of incorporation**	Ownership interest	
		2023	**2022**
		%	%
Powerhouse Ventures Australia Pty Ltd	Australia	100%	100%
Powerhouse Venture Managers Pty Ltd	New Zealand	100%	100%

In the Directors' opinion:

(a) The financial statements and notes of the Economic Entity are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Economic Entity's financial position as at 30 June 2023 and of its performance for the year ended on that date;

(ii) complying with Accounting Standards and Corporations Regulations; and

(iii) complying with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements; and

(b) In the opinion of the directors, there are reasonable grounds to believe that the Economic Entity will be able to pay its debts as and when they become due and payable.

(c) The Executive Chairman has declared that:

(i) the financial records of the Economic Entity for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

(ii) the financial statements and notes for the financial year comply with the Accounting Standards; and

(iii) the financial statements and notes for the financial year give a true and fair view.

(d) The remuneration disclosures that are contained in pages 11 to 16 of the Directors' Report comply with Australian Accounting Standard AASB 124 Related Parties and Corporations Regulations 2001.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

James Kruger
Chairman
Date: 30 August 2023

Joshua Baker
Director
Date: 30 August 2023

Powerhouse Ventures Limited
Independent auditor’s report to members

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Powerhouse Ventures Limited (the Company) and its controlled entities (together, the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and the directors’ declaration.

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

i. giving a true and fair view of the Group’s financial position as at 30 June 2023 and of its financial performance for the year ended on that date; and

ii. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Emphasis of Matter – Change in Presentation Currency

We draw attention to Note 1 to the financial statements, which states that the Group has changed its presentation currency from New Zealand dollars to Australia dollars. Our opinion is not modified in respect of this matter.

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Other Matter

The comparative amounts reported in these financial statements are from the financial statements for the year ended 30 June 2022. These were audited by another independent auditor who, on 5 October 2022 expressed a qualified opinion on the basis that they were unable to obtain sufficient and appropriate evidence supporting the carrying value of certain investments as at 30 June 2022, including the changes of fair values in those investments as represented in the statement of financial performance. Subsequent to this date the directors of Powerhouse Ventures Limited have commissioned an appropriately qualified and independent specialist to appraise the fair valuations of those certain investments; consequently we have sufficient and appropriate evidence to support the fair values of those certain investments in relation to the opening balances as at 30 June 2022 as recorded in these financial statements. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Level 3 Hierarchy Investments	
Area of focus **Refer also to notes 2 and 18**	**How our audit addressed it**
As at 30 June 2023, the Group reported $1,733,411 in level 3 hierarchy investments. As stated in the note disclosures, Level 3 hierarchy valuations are non-market observable, and therefore involve an element of uncertainty and judgment supporting valuations for those investments and hence are a key audit matter. As disclosed in the notes, the directors commissioned both an internal and external, independent expert to appraise these fair valuations as at 30 June 2023.	Our procedures involved: — Reviewing the appropriateness of the control framework established by directors to fair value Level 3 hierarchy investments; — Examining the bona fides of both experts commissioned by the directors to appraise fair values of Level 3 hierarchy valuations, including the degree of objectivity and independence of those experts; — Inspecting and reperforming work rendered by those experts in making their fair valuation assessments; — Employing our own auditor's expert to assess those Level 3 hierarchy valuations; and — Reconciling those fair valuation assessments to results and disclosures reflected in the financial statements, including key sensitivities to its valuation inputs.

Other Information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon.

WilliamBuck
ACCOUNTANTS & ADVISORS

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the 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 Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of these financial statements is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

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

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Powerhouse Ventures Limited for the year ended 30 June 2023 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.

William Buck

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

N. S. Benbow
Director
Melbourne, 30 August 2023

OTHER ASX REQUIRED INFORMATION

(A) SHARES IN POWERHOUSE VENTURES LIMITED (ASX:PVL)

(i) Top Twenty shareholders as at 16 August 2023

The names of the twenty largest holders of quoted equity securities aggregated are listed below:

Rank	Name	Units	% Units
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	34,447,607	28.53
2	PARMELIA PTY LTD <REILLY FAMILY SUPER FUND A/C>	6,636,484	5.50
3	UNITED WORLD GROUP PTY LTD <UNITED WORLD GROUP PTY LTD>	5,858,576	4.85
4	ALTOR CAPITAL MANAGEMENT PTY LTD <ALTOR ALPHA FUND A/C>	5,249,045	4.35
5	YARDLEY FAMILY SUPER FUND P/L <YARDLEY FAMILY S/F A/C>	4,849,913	4.02
6	SAMADA STREET NOMINEES PTY LTD <GILES FAMILY NO 2 A/C>	3,000,000	2.48
7	MR GEOFFREY ANTHONY GANDER	2,966,079	2.46
8	MR PAUL COHN	2,665,000	2.21
9	J D MANAGEMENT GROUP PTY LTD <DUDLEY FAMILY A/C>	2,500,000	2.07
9	MLCCMM PTY LTD	2,500,000	2.07
11	MR TOM ERNST PERFREMENT	2,204,185	1.83
12	JACANA GLEN PTY LTD <LARKING SUPER FUND NO 2 A/C>	2,060,255	1.71
13	BOND STREET CUSTODIANS LIMITED <TRYLAN - D83486 A/C>	2,000,000	1.66
13	BRINDABELLA PENSION MANAGEMENT PTY LTD <THE BRINDABELLA SUPERFUND>	2,000,000	1.66
13	GEOFFREY ANTHONY GANDER <THE GANDER SUPER A/C>	2,000,000	1.66
16	MAXLEK PTY LTD <JIMS AND JOELS SUPER FUND>	1,900,000	1.57
17	NICHOLAS MANAGEMENT SERVICES PTY LTD <NICHOLAS SUPER FUND A/C>	1,882,180	1.56
18	DEMASIADO PTY LTD <DEMASIADO FAMILY A/C>	1,259,740	1.04
19	MR JAMES RODERICK LOCKHART KRUGER + MISS MIRANDA KRUGER <KRUGER FAMILY A/C>	1,100,000	0.91
20	MR ANDREW DAVID COULTER MCKENZIE	1,055,867	0.87

(ii) Range of Shares Issued as at 16 August 2023

As at 16 August 2023 there were 120,743,176 ordinary shares held by 608 shareholders, all of which were quoted on the ASX.

Range	Total Holders	Shares held	% of Issued Capital
1 - 1,000	23	8,135	0.01
1,001 - 5,000	136	471,233	0.39
5,001 - 10,000	108	873,944	0.72
10,001 - 100,000	244	9,693,834	8.03
100,001 and above	97	109,696,030	90.85
Rounding			0.00
Total	**608**	**120,743,176**	**100.00**

There are 243 shareholders owning a total of 1,114,766 shares who own unmarketable parcels of the Company's securities.

OTHER ASX REQUIRED INFORMATION

(iii) Substantial Holders as at 16 August 2023

The company has received the following substantial holder notices from shareholders who hold relevant interests in the company's ordinary shares as at 16 August 2023:

Substantial Shareholder	Shares held	Holding
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	34,447,607	28.53%
PARMELIA PTY LTD <REILLY FAMILY SUPER FUND A	6,636,484	5.50%

(iv) Voting Rights

All ordinary shares carry one vote per share. Each Shareholder is entitled to receive notice of and attend and vote at general meetings of the Group. At a general meeting, every Shareholder present in person or by proxy, will have one vote on a show of hands and on a poll, one vote for each share held

(B) LISTED OPTIONS IN POWERHOUSE VENTURES LIMITED (ASX:PVLO)

(i) Top Twenty optionholders as at 16 August 2023

The names of the twenty largest holders of quoted equity securities aggregated are listed below:

Rank	Name	Units	% Units
1	PAC PARTNERS SECURITIES PTY LTD	2,900,000	23.72
2	MR DAVID ARITI	2,422,956	19.82
3	MR PAUL COHN	708,000	5.79
4	MAXLEK PTY LTD <JIMS AND JOELS SUPER FUND>	700,000	5.72
5	SRP FUNDS PTY LTD	300,000	2.45
6	GANA CAPITAL PTY LTD <GANA FAMILY A/C>	214,826	1.76
7	AUKERA CAPITAL PTY LTD <AUKERA DISCRETIONARY A/C>	200,000	1.64
8	MR LINDSAY DOUGLAS FLETCHER + MRS ANNETTE MARIE FLETCHER	200,000	1.64
9	FOLIUM CAPITAL PTY LTD <J W YE INVESTMENT A/C>	200,000	1.64
9	MR BIN LIU	200,000	1.64
11	OCEANA CAPITAL PTY LTD <OCEANA A/C>	200,000	1.64
12	QUID CAPITAL PTY LTD	200,000	1.64
13	MS VANESSA RUBEN	200,000	1.64
13	SICILIAN KAN PTY LTD <SICILIAN KAN A/C>	200,000	1.64
13	MR MARCUS WARD	200,000	1.64
16	WHITE FUTURE PTY LTD <WHITE FUTURE FUND A/C>	200,000	1.64
17	MR RICHARD ANTHONY LECKEY + MRS CAROLINE VICTORIA LECKEY <LECKEY SUPER FUND A/C>	199,629	1.63
18	MISS THI HUONG VANG	182,030	1.49
19	MR IAN JAMES LOVE LOTHIAN	171,861	1.41
20	MRS HETAL SANGHAVI	150,000	1.23

OTHER ASX REQUIRED INFORMATION

(B) LISTED OPTIONS IN POWERHOUSE VENTURES LIMITED (ASX:PVLO) con't

(ii) Range of Listed Options Issued as at 16 August 2023

As at 16 August 2023 there were 12,227,631 listed options held by 84 optionholders, all of which were quoted on the ASX.

Range	Total Holders	Shares held	% of Issued Capital
1 - 1,000	7	3,168	0.03
1,001 - 5,000	9	26,800	0.22
5,001 - 10,000	11	83,574	0.68
10,001 - 100,000	32	1,553,500	12.70
100,001 and above	25	10,560,589	86.37
Rounding			0.00
Total	**84**	**12,227,631**	**100.00**

Minimum $ 500.00 parcel cannot be calculated due to no price

(C) INTERESTS REGISTER

Pursuant to section 140(2) of the Companies Act 1993, the Directors named below have disclosed the following current entries in the interest register during the accounting period as at 30 June 2023. Where changes in the interests register were notified during the year, or subsequently, they have been indicated below.

Director	**Company Name**	**Position Held**
James Kruger	Lava Blue Limited	Director
James Kruger	Quantum Brilliance Limited	Director
James Kruger	Greatcell Energy Limited	Chairman
Joseph Demase	Webcentral Limited	Managing Director
Joshua Baker	Nil	Nil