Spectur Limited

Appendix 4E

Preliminary Financial Report - For the year ended 30 June 2024
(Previous corresponding period: Year ended 30 June 2023)

Results for announcement to the market

Spectur Limited	Year ended 30 June 2024 $	Year ended 30 June 2023 $	Change
Revenue from ordinary activities	8,185,873	7,367,152	11%
Loss from ordinary activities after tax	(2,578,227)	(2,923,065)	12%
Net Loss for the period attributable to shareholders	(2,578,227)	(2,923,065)	12%
Adjusted EBITDA from continuing operations [(i)]	(1,401,357)	(1,610,019)	13%

(i) Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortization, one-off inventory write-offs, restructuring costs and share-based payments. This is an unaudited non-IFRS measure.

Commentary on the results for the year can be found in the Review of Operations and Activities of the accompanying Annual Report on pages 4 to 16.

1. **Statement of Profit and Loss and other comprehensive income**
   Refer to attached Annual Report page 28.

2. **Statement of financial position**
   Refer to attached Annual Report page 29.

3. **Statement of cash flows**
   Refer to attached Annual Report page 31.

4. **Statement of changes in equity / retained earnings**
   Refer to attached Annual Report page 30.

5. **Dividend payments**
   Refer to attached Annual Report.
   The Company does not propose to pay any dividends in the current year.

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

This Appendix 4E Annual Report is provided to the ASX under Listing Rule 4.3 and should be read in conjunction with the accompanying Preliminary Annual Financial Report for the year ended 30 June 2024.

7. **Net tangible assets per security**

	Current Year 30 June 2024	Previous Corresponding Year 30 June 2023
Net Tangible Assets per ordinary share	(0.30 cents)	0.30 cents

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

   No changes to control of entities in the period.

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

   Not applicable

10. **Other significant information**

    Not applicable

11. **Foreign entities – Accounting Standards**

    Not applicable.

12. **Results for the period**

    Refer to the review of operations and activities in the attached Annual Report on pages 4 to 16.

13. **Status of audit**

    The Annual Report is based on financial statements have been audited

Spectur Limited

ACN 140 151 579

Annual Report
30 June 2024

Content

Corporate information

Directors
Mr Darren John Cooper
Dr Gerard John Dyson
Ms Bilyana Smith (resigned 23 November 2023)
Mr Marco Da Silva (appointed 23 November 2023)
Mr Rhett Morson (appointed 1 December 2023 and resigned 11 June 2024)

Company Secretary
Mrs Suzie Jayne Foreman

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Managing Director's Review

Overall Performance

Financial year FY24 will appear to be an inflection point in the journey of Spectur Limited, only visible in hindsight. A number of key milestones were achieved which will underpin profitability and ongoing growth of Spectur in FY25 and beyond. Some of these included:

- Operational and financial integration of the 3 Crowns Technologies and Spectur New Zealand acquisitions, which closed in H2 FY23. These integrations underpinned the realisation of related long term cost and revenue synergies.
- Completion of the renewal of the Spectur hardware technology stack. FY24 saw the end of production for STA6s and HD5 models, including the sale of related inventory and the launch of the wired STA6-240X, HD6, ERB6, STA7 and STA-Power platforms. All of the new platforms bring substantial improvements in performance, new features and new applications for customers as well as delivering direct and indirect improvements that positively impact sourcing, production, shipping, storage and sales.
- A step change in productivity with associated cost base and future margins. Through a strategic focus on long term profitability and efficiency that comes with customer service centricity, Spectur replaced a number of systems with an upgraded Enterprise Resource Planning (ERP) tool and substantially reset the services and operations functions within the business. The impacts of these changes are already felt and are expected to continue to deliver increasing value in FY25.
- 42% growth in sales compared with FY23. With the expanded software stack from the 3 Crowns Technologies acquisition and the increasingly modular hardware platform that was in production in FY24, Spectur pushed into government tendering and reseller / distributor markets. In addition to the 42% growth in sales of short and long term revenue, this also led to a comparable growth in the size of the sales pipeline during the financial year, which underpins revenue growth into FY25 and beyond.

The year was not without challenges and disappointments. Restructuring, refocus and the realisation of cost synergies meant that some talented employees departed Spectur during the year. We appreciate their contribution to the Spectur journey. The Company also learned much about government tendering and what it takes to win. The difference between stated and actual award dates for government tenders (and others) was recalibrated during the year to better align with the slow progress and protracted processes that we have experienced.

Internally, it took longer to finalise our hardware and associated firmware renewal than anticipated, although the ultimate results are bearing fruit. These delays did mean that FY24 hardware sales were more biased towards the older tech stack than anticipated.

Finally, an extended process of customer engagement revealed the degree of importance assigned to ongoing service. Spectur customers and customers of our resellers are increasingly biased towards larger government, utility and institutions, which have higher expectations of service than some other sectors. This led to some organisational changes and a strategic re-emphasis on service and the introduction of a more formal project management function. It is our aspiration to consistently provide the leading service experience for our target customers and we believe that this can become an increasingly valuable additional differentiator for Spectur.

Spectur was successful in raising capital and generating operating cash as required to reduce and ultimately remove structural debt by the end of the financial year. The Company entered FY25 essentially debt-free and confident in ongoing topline growth and positive full year EBITDA for the first time in corporate history. The inflection point of profitability is behind Spectur and the Company approaches FY25 with enthusiasm.

Market Conditions

Australian and New Zealand markets for Spectur had a number of key attributes that impacted performance during the financial year.

Rising and persistent inflation and interest rates impacted spending in some construction markets, which was also offset in some cases with massive increases in net immigration, quite notably in WA and Queensland, and Australia overall. The hangover from intense, ongoing periods of government spending in New Zealand and Victoria (for example) saw softening in these markets both in commercial and government spaces, which has influenced where Spectur has invested discretionary sales and marketing efforts.

FY24 saw substantial scaling in awareness and acceptance of artificial intelligence (AI), most notably large-language models such as ChatGPT. AI applications during the year were requested more frequently by customers and appeared more often in competitor offerings, illustrating the rapid adoption of some of these applications. Spectur continues to take an AI agnostic approach, refusing to compete with our core suppliers and customers in the AI space. Instead, we have invested more in creating modular hardware and software platforms that enable the easy deployment of 3rd party AI applications in remote, temporary or otherwise wireless settings.

Customer departures from CCTV and related technology that is sourced from Chinese manufacturers with link so the Chinese Communist Party continued to strengthen. Particularly within local and state governments, critical utilities and other national infrastructure providers there was a move to cease procuring this technology and in some cases remove or replace existing examples. This plays to the strengths of Spectur as our modular platform is built from our internal code and electronics, and the camera and related componentry that is incorporated into our finished goods does not originate from any of the sources that are banned by the National Defence Authorisation Act (NDAA) or Technical Assistance Agreements (TAA) that are used as analogues in Australia.

FY24 was also characterised by an overall increase in awareness within customers and the general public of the prevalence and applications of CCTV technology. In some cases this was unhelpful for market expansion as concerns about privacy remain, however the expansion continues. This increase in awareness was accompanied with an increasingly welcomed growth in customer knowledge. Informed customers are better able to understand the technical benefits of Spectur solutions compared with substitutes and alternatives.

Competition in related security applications continued to split during the year into relatively low sophistication entry level products that are increasingly dominating the home building and minor construction markets, and more capable solutions, usually with a greater range of functionality and AI. ASIC has reported that nearly 3,000 building and construction companies collapsed in FY24, eight per day. Whilst Spectur continues to service customers directly and indirectly in the construction and building space, in many cases a very simple solution or even a "scarecrow" can be enough to provide some deterrence. Lower competitive advantage, tighter margins and substantially increased risk of non-payment of debts makes direct sales to this market less attractive to Spectur in the longer term. This has impacted rental income more than other revenue streams.

The Spectur strategic focus remains on expanding directly into government, utility and institutional customers with more advanced needs, where our differentiated offering is more valuable. Indirect expansion plans via resellers and distributors are expected to address a broader array of end markets.

In the safety and warning space our growth continues with notable wins and expansion in NSW, QLD and WA in FY24. The Spectur offering has continued to evolve in this space and is the only "product" in this space, with increasing reliability, performance and functionality as the technology is evolving. Combined with our CoastalComs and Envirocoms software offerings, we are able to provide safety, warning, advance AI applications and reporting to a broader range of customers in this space.

Revenue from Operations

For FY24 the Spectur Group reported consolidated revenue of $8.186 million, up 11% on FY23 of $7.368 million and up 40% on FY22 of $5.828 million.

FY24 saw the operational integration of all 100% owned Spectur entities coincide with multiple projects and accounts that blended offerings across the Group. The "parent entity" of the revenue was decided on the basis of a range of factors including ISO27001 status, predominance of revenue and history with the customer.

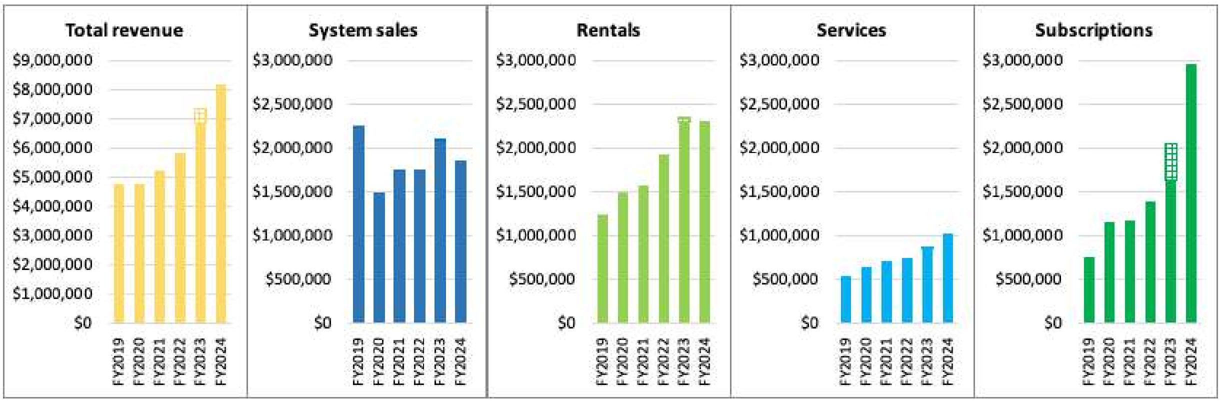
Spectur New Zealand (SNZ) continued to disappoint with lower than expected top line revenues. Noting ongoing fundamental market challenges in NZ and greater opportunities in some geographies in Australia, cost reductions were implemented in this location along with changes in the sales strategy.

Revenue	Including 3CT and SNZ FY24 $'000		FY23 $'000	% Increase/(decrease)
System Sales	1,809		2,086	(13%)
Field Services	833		850	(2%)
Subscriptions	1,928		1,644	17%
Rentals	2,275		2,308	(1%)
3CT	1,215	(From 17 February 2023)	442	175%
SNZ	127	(From 17 March 2023)	38	234%
Total	**8,186**		**7,368**	**11%**

Comparing consolidated or Group revenue for FY24 in more detail with FY23 provides additional insights to the trends across the four key revenue streams within Spectur.

Key large sales contracts in FY24 (e.g. Surf-life Saving NSW and Southern Cross Protection material announcements in H1 FY24) incorporated multi-year service contracts that will underpin revenue into FY25 and beyond, but did not deliver the full sales value in FY24. Delays in replacing the older hardware technology also had some impact on system sales in FY24, with older system sales continuing into H2.

Subscription revenue was substantially up on FY23 due to inclusion of the full year of 3CT as well as an increase in the proportion of Spectur hardware contracts that were sold with expanded subscription offerings. It is expected that the transition of increasing recurring revenue as a function of overall revenue will continue.



Rental revenues declined, primarily in the middle of H2, in response to increasing competitive pressures in the bottom end of the building construction market and the gradual withdrawal of the older (more basic and cheaper) HD5 product from the rental fleet. Some recovery was noted in the latter parts of Q4 FY24, in response to new customer interest in the latest technology HD6 in particular.

Overall annual recurring revenue, which is the sum of subscription and rental revenue, was $5.452m.

Sales performance

FY24 sales performance ($6.889m) was up 42% on FY23 sales ($4.847m) which is a significant uplift and will be reflected in future revenue given two of the largest contracts are on long-term 5-year agreements. Three key highlights for the year include;

- The renewal of all 3CT customers with the majority of these moving from month-to-month contracts to 3-year terms. This demonstrates the success of integration and is fundamental to our strategy of increasing long-term recurring revenue.
- The execution of two major contracts with Southern Cross Protection and Surf-Life Saving NSW for a combined contract value of over $1.8m, each over a 5-year period. The ongoing successful delivery of these two major customer contracts underpins future orders as both customers plan expansions to their fleets this financial year.
- The successful onboarding of our first major distribution partner in VSP, one of Australia's leading CCTV distributors. This will allow the Company to leverage the large sales team and network VSP has built across Australia.

Looking forward, a growing number of opportunities in the sales pipeline include complex solutions that utilise Spectur hardware and our Envirocoms and SecureGo software stack (which was part of the 3CT acquisition in 2023). Spectur has sold a number of these projects in FY24, and a growing percentage of the pipeline includes these solutions. The City of Gold Coast has been an excellent example of this with approximately $750k of work awarded across multiple 3-year contracts in FY24 including combinations of:

- Spectur emergency response beacons for drowning prevention;
- Spectur SecureGo and Envirocoms cloud platforms to provide advanced video management and analytics; and
- Third party AI solutions.

These hybrid opportunities are higher value, margin and complexity, offsetting competitive pressures which have been felt at the bottom end of the security market.

Cost performance

Managing Director's Review

SNZ and 3CT were operationally integrated for FY24 and consolidated full year results are presented across the four key components of revenue at the Group level below. Unconsolidated results (aggregated) are provided for 3CT and SNZ for information.

Gross margin percentages	Consolidated FY24	FY23	% Increase from FY23 to FY24
3CT	Unconsolidated 27%	30%	(10%)
SNZ	Unconsolidated 11%	18%	(39%)
Hardware sales	48%	47%	2%
Services	31%	24%	29%
Rentals	79%	83%	(5%)
Subscriptions	49%	55%	(11%)
Consolidated GM %	**55%**	**56%**	**flat**

Noting the lower GM% for the 3CT and SNZ entities, including a full year of results was dilutive and hence delivering GM levels of 55% was demonstrative of the ongoing performance in the legacy Spectur business. Operational integration means that revenue is increasingly a function of combined offerings going forward and hence Spectur will only provide consolidated GM% results in reporting in the future.

Improvements in hardware GM% were less than planned due to the delays in fully exiting the older technology stack and some initial warranty related issues (that have been addressed) with the all-new STA-Power. FY25 sees the sales of only the new technology, albeit with an increasing amount of 3rd party (and lower margin) offerings such as trailers and OEM cameras. Even with longer warranty periods associated with our higher performing new technology, overall margins for direct sales are expected to increase in FY25.

The Services revenue line includes traditional Spectur field services, guard and installation or support services provided by 3rd parties and discrete professional services undertaken by Spectur engineers or data scientists. Since January of 2024, this part of the business has undergone transformation, which continues into FY25. New leadership, systems and process along with some rationalisation of costs is driving shorter response times and higher overall levels of customer service. We aspire to provide the leading service levels in our industry, which combined with an increasingly high "uptime" stack and associated lower warranty costs, will improve billability and profitability of this portion of the revenue. FY25 is also expected to bring a substantial expansion of our 3rd party installer and service network, to complement our growing reseller and distributor network. This may impact margins but is expected to improve chargeability.

The rental business commenced a period of refresh and renewal with HD6 systems in particular replacing older HD5 systems that were largely depreciated, lower performing and requiring increasing support costs. Much of the HD5 fleet, which still makes up a plurality of the overall rental fleet is fully depreciated. As new technology is coming in, the depreciation expenses have increased, leading to a slight decrease in gross margin percentages. As Spectur is becoming more focussed on customers with more sophisticated needs, revenues from the competitive entry level products is expected to decrease.

A higher proportion of subscription revenue in FY24 came from a full year of the Envirocoms, CoastalComs, SecureGo and related products that were part of the 3CT acquisition. These products are sold almost entirely as a subscription, even when there are some hardware elements. Costs associated with fixed but scalable infrastructure and other direct costs including labour for data science and support, data costs and some limited hardware mean that this element of the recurring revenue mix has lower gross margin percentages (albeit with low overhead) relative to the legacy Spectur limited business. This led to some reduction in GM%.

Overhead costs remained flat despite increasing revenue.

Consolidated Expenses	FY24 $'000	FY23 $'000	% Increase
Finance charges	154	127	21%
Employee and Admin	6,073	5,530	10%
Share-based payments	103	530	-81%
Other expenses	1,080	1,208	-11%
Total	**7,410**	**7,395**	**flat**

FY24 included a full year of 3CT and SNZ including all their staff, property and some infrastructure, however the process of integration resulted in some consolidations during the year (e.g insurance policies, property and head count). Key increases of note included:

- Marketing costs growing by $110k. This was consistent with taking on a part time marketing professional, fully replacing the Spectur website, rebuilding most of the SolarCam website, engaging Sales Development Resources (SDRs / lead generators) and other activities that have had a substantial contribution towards the increase in sales in FY24.
- Board costs increased by $40k as a 4th Board member was present for part of the year.
- Loss on sale of assets was up by $50k in response to some rationalisation of assets and the rental fleet.
- Property costs increased by $120k, partly because of additional property in SA and NZ, but also due to renewed leases in a post-Covid environment.
- People related costs increased due to the increased number of employees as a result of the acquisition in prior year (35 at the start of FY24), as well as the restructuring costs involved in reducing that number to 26 (at 30 June 2024).

Notable reductions in overhead costs included:

- IT cost reductions by $40k as the Company largely concluded the ERP development work and rationalised systems.
- R&D costs declined by $150k as major hardware renewal and cloud upgrade works, which did include some 3rd party contractors and hardware componentry, concluded earlier in the year.
- Strategic costs related to acquisitions reduced by $90k in response to not doing any acquisitions in FY24.
- Share-based payments (non-cash) reduced substantially in response to the departure of some employees in restructuring activities as well as delays in reaching corporate goals, which impacted the performance on incentive schemes.

The overhead base cost has been reset at the start of FY25, supporting the plan for a profitable future.

Net loss after tax reduced 12% from $2.9m in FY23 to $2.6m in FY24.

One-off costs for FY24
H2 FY24 included a substantial restructuring exercise in response to integration of the 3CT and SNZ acquisitions, and technology and productivity improvements. This resulted in a substantial reduction in workforce with the 30 June 2023 Company people count of 35 comparing with 26 at 30 June 2024. This brought some substantial exit costs and liability reductions associated with notice and termination benefits.

Whilst Spectur has been successful in raising money via placements without brokers or extensive legal fees, legal and registry fees associated with using Options as part of the Q4 Entitlements Offer (EO) brought one-off costs that will not be repeated in FY25.

With the implementation of an entirely renewed hardware technology stack along with a new ERP (Simpro), the business also took the opportunity to take a deep dive review of inventory in the final year stocktake. This resulted in a substantial amount of older or in some cases obsolete stock being written down to zero, resulting in a substantial final year adjustment.

As part of the acquisition of 3CT in 2023, the assets included 2,048 APNIC IP addresses that were valued at $143k at 30 June 2023 but had declined in value to $95k as at 30 June 2024, resulting in a write down of $48k.

A summary of one-off costs for FY24 are included below:

One off items	Costs $'000
Restructuring costs	276
Legal and registry fees	43
Write down of older and obsolete stock	502
Write down of APNIC IP Addresses	48
Total	**869**

Adjusted EBITDA is defined as earnings before interest, tax, depreciation, amortisation, and share-based payments and results in an adjusted EBITDA loss for FY24 of ($2,222K), compared with ($1,610K) in FY23. If the one-off costs listed above are subtracted from the adjusted EBITDA, this would result in an underlying adjusted EBITDA loss of ($1,401k).

Debt facility repaid

Spectur obtained a $1.5m debt facility from our largest shareholder, EGP Capital in H2 FY21. In Q1 FY23 Spectur renegotiated the facility to a reduced limit of $1.1m, which was the amount drawn at the time, as it was determined no more debt funding would be required. In Q4 FY24 Spectur fully repaid this amount, removing all structural debt from the Company.

The Company continued the policy of not capitalising research and development, ERP implementations or other intangibles leading to intangibles largely being limited to costs associated with intellectual property protection.

Spectur entered FY25 absent of structural debt, substantial intangibles or other related obstacles to future profitability.

Technology advances

Over the past 12 months, the advancements introduced in FY23 have continued to shape and strengthen Spectur's technology stack. The STA-Power system has been widely adopted, proving its value in diverse applications, and solidifying its position as a key component in our modular suite of solutions. The market response has been overwhelmingly positive, leading to steady revenue growth from both Spectur platforms and third-party technology customers. The transition from the HD5 to the HD6 camera system has been seamless, with the new HD6 system receiving excellent feedback for its enhanced features including modularity, edge AI capabilities, 4K streaming video, and two-way communications. The STA6-240X model has successfully met the demand for robust mains-powered solutions in shaded or indoor environments, integrating smoothly into our ecosystem.

Building on the success of HD6, twenty new Emergency Response Beacons based on the updated HD6 platform were shipped. Further strengthening our partnerships with surf life-saving organizations across Australia, we developed a variety of prototype additions and improvements with exciting additions planned for summer 2025.

The development of the STA7 model continued as planned and was delivered as anticipated. Development of our new flagship model was supported by a thorough analysis of the latest Edge AI object identification and tracking technologies, laying the groundwork for continued advancements in FY25. Major investment was also made in streamlining and updating our edge firmware more generally to ensure unrivalled uptime and reliability. This work ensures plug-and-play functionality which not only supports efficiencies in our Field Service teams but also forms a critical enabler for significant growth in our installation partner network.

Our strategy of building upon proven, common core componentry and designing for system modularity continues to reap benefits in terms of rapid market adaptation and staying responsive to the needs of our customers and the demands of their installations. To support our new product lines, we developed or refreshed all elements of Spectur's installation solutions. These included solar trailers, concrete blocks, mobile bases, and updated pole mounting solutions.

With the hardware dominated foundations of this strategy locked in, we are now building our processes to increasingly focus on software-led innovation.

To underpin this strategy, we launched the first components of our new user interface. This followed User Experience design development and led to the delivery of initial functionality for our partners and resellers who manage large portfolios of Spectur cameras. Utilising the latest User Interface (UI) framework allows Spectur to implement full-stack .NET coding, which enhances speed, reduces overhead, and promotes code re-use across Web and Apps. We are now entering a period of rapid iteration, positioning us for future growth and innovation.

Our commitment to offering a diverse range of camera options was strengthened as we deepened ties with core vendors, enhancing our support for their products on the Spectur platform. We also continued to develop deeper integration with our Envirocoms enterprise product suite, which not only delivers enhanced value to customers and streamlines our operations but also provides a scalable model for future acquisitions by Spectur. We tested and prototyped various satellite communication solutions, ultimately proceeding with Starlink, including a unique 12V power solution that enhances our connectivity options.

In our pursuit of excellence, we worked towards company-wide ISO27001 certification, implementing rigorous testing and the initial components of our improved management system. Staff cyber training was implemented to ensure we maintain high standards of data security and that we retained our ongoing ISO27001 certification for works done within the 3CT entity.

Summary of key outcomes:

- Wrapped up the release of a completely refreshed product line including common, plug-and-play components and installation systems
- All products now equipped with Edge AI for improved performance and reduced 4G communication overhead.
- Launched the initial components of a comprehensive new user interface for partners and resellers.
- Partnered with surf life-saving organizations to develop new innovations planned for summer 2025.
- Continued adding camera options and strengthening vendor relationships with camera OEMs in particular.

- Deepened integration with Spectur's Envirocoms enterprise product suite.
- Delivered Starlink integration.
- Progressed towards ISO27001 certification.

In the coming year, Spectur will shift its Research and Development focus towards rapid software innovation. This strategic move aims to accelerate our development cycles, enabling us to stay ahead of the market and continuously enhance our technology offerings. This agility, built on our increasingly modular hardware and software backbone will allow us to more swiftly respond to market needs than competitors that lean heavily or entirely on OEM technology solutions.

We will further integrate the Envirocoms enterprise solution stack, enhancing our capabilities and offering a more comprehensive suite of services to our clients. This deeper integration will streamline operations and improve the overall user experience, solidifying our position as a leader in the most innovative parts of our industry. Whilst delivering functional improvements, we are committed to delivering further cost savings across our cloud infrastructure and production component suppliers.

The extension of our certified ISO27001 information management system from 3CT across the Group remains a high priority. Achieving this total certification will reinforce our commitment to data security and provide assurance to our clients that their information is protected to the highest standards. We will deepen the integration to our monitoring partners, aiming to provide enhanced end-to-end solutions. Early design development will commence for our Third Generation Edge Compute Platform as the current Nvidia Nano platform approaches end-of-life in 2027.

Spectur's technology strategy ensures we build on our competitive advantages in modular data integration software and solar powered sensing, thinking and acting platforms whilst being able to integrate rapid changes that are occurring in the AI, cameras and sensing markets.

Key Risks

The Board is cognisant of certain principal risks that may impact the ability of the Group to achieve its business objectives which include:

- Capital and funding requirements – Depending on how successfully the Group executes the profit and growth strategy and related circumstances within the macroenvironment, additional capital may be required at some point beyond existing cash reserves.
- Development and commercialisation of the Group's technology – The success of the Group will depend upon our ability to preserve our technology leadership and intellectual property. A failure to maintain our unique value proposition in the face of new or evolving competitors could impact margins, profitability and the overall success of the company in scaling up.
- Product failure – It is possible that a hardware, software or cloud infrastructure failure could lead to an interruption in system performance during a critical event. This could have brand and direct liability impacts that could effect future revenues and immediate expenses.
- Sales and customer risks – The Group will need to maintain and expand the customer base and develop new relationships with strategic customers and resellers. Failure to achieve sales targets in key areas could lead to material revenue shortfalls.
- Suppliers and the supply chain – Spectur relies on a number of suppliers that are located in Asia. Conflict or other major interruptions to suppliers in this region could have a substantial impact on the ability to source componentry for production.
- Reliance on key personnel - The Company relies on the experience and knowledge of key members of its staff. In the event that key personnel leave and the Company is unable to recruit suitable replacements, such loss could have an adverse effect on the Company.
- Macroeconomic conditions – Economic and market risks, both in Australia and internationally, may have a direct and/or indirect impact on our ability to achieve our business objectives. These include movements in interest, inflation and currency exchange rates.
- Cyber security – There is an increasing volume, scope and intensity of cyber and ransom attacks on companies and government. Whilst Spectur has advanced mitigation solutions and is further expanding the scope of systems and processes to reduce the risk of a successful cyber attack, a residual risk remains. This risk could impact the ability of Spectur to provide solutions to companies, with a corresponding risk to revenue and future sales.

The Board is responsible for setting the risk appetite of the Group and is committed to maintaining a risk management framework that monitors and manages business risks.

FY25 expectations

Managing Director's Review

Spectur has provided guidance for FY25 of $10.2m to $12.0m consolidated revenue and $0.1m to $1.3m of EBITDA. Underpinning this is an FY25 business plan that is very focussed on execution and tactics. Spectur does not expect to make major strategic changes in FY25, but rather realise the benefits of strategic investments made in the last few years. Core priorities for the leadership of the business are target customer satisfaction and retention from a profitable and sustainable commercial model. Short interval controls will be in place to ensure that profitability targets are met.

Operationally, there is a key focus on optimising the new ERP and related systems that were implemented in FY24, to drive efficiency and productivity improvements. The Company is already seeing reduced costs and increased throughput, with more improvements expected as the year progresses.

It is expected that there will be technology expansions in software and cloud during FY25, most notably around the user interface and delivering on tactical or tender based requirements. No major hardware changes are expected in this period.

The sales and marketing strategy will see (in Q1 25) the (re)launch of Solarcam – the first acquisition undertaken by Spectur in 2017. This brand, and particularly the associated web domain, will underpin our online marketplace, opening an additional channel for new and existing customers to purchase Spectur and 3rd party solutions. Growth into existing and new resellers and distributors is also expected and remains a focus. The fully vertically integrated Spectur sales model is too capitally intensive to scale rapidly, so it is expected that growing revenue to $20m, $50m and beyond into international markets will only come from an increasing proportion of reseller and distributor partnerships.

Similarly, the fully internally supported service team that Spectur currently provides struggles to meet desired service levels in regional centres or when there is a concentration of effort required over short intervals. To meet the Company's goals around service levels, Spectur is actively engaging with a number of Australian and regional partners that have service people suitable to supplement our teams. Deploying and supporting the new Spectur hardware via our internal teams and 3rd parties (or even the customers themselves) underpins higher customer service, utilisation and profitability in the Company's future.

Having successfully integrated two acquisitions from 2023, the Company can operationally consider additional targets in the future. Whilst Spectur has a clear path to profitable organic growth, the Company is proactively exploring opportunities that will accelerate the core strategy in a way that delivers accretive value and would be supported by shareholders. Similarly, the Company continues to entertain an increasing frequency of inbound enquiries for partnering, merger and acquisition which is demonstrative of the corporate progress that has been made and is expected in the future

Spectur has a unique offering that provides a very positive contribution to making our communities safer, more sustainable and smarter. We expect to focus on the areas where we can make the most positive impact, with the most valuable and differentiated offering, as we scale into larger, rapidly growing and ultimately international markets.

Gerard Dyson
Managing Director

Directors' Report

The Board of Directors of Spectur Limited present their report on Spectur Limited ("Company" or "Spectur") and its controlled entities ("Group") for the year ended 30 June 2024.

Directors and Officers

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

Darren John Cooper	Non-Executive Chairman
Gerard John Dyson	Managing Director
Bilyana Smith (Resigned 23 November 2023)	Non-Executive Director
Marco Da Silva (appointed 23 November 2023)	Non-Executive Director
Rhett Morson (appointed 1 December 2023 and resigned 11 June 2024)	Non-Executive Director
Suzie Jayne Foreman	Company Secretary

Current Directors and Officers

Mr Darren John Cooper	**Independent Non-Executive Chairman**
Qualifications	B.Bus (Curtin), Masters of Applied Finance (Macquarie), Australian Institute of Company Directors graduate.
Length of Service	4 years, 11 months
Experience	Darren Cooper spent in excess of 20 years with various companies in management and senior executive roles. Darren now holds a number of Board and Strategic Advisory roles across a range of industries including government, property, construction and aged care. He is also an investor in and director of a range of technology & media-based start-up businesses.

Mr Gerard John Dyson	**Managing Director**
Qualifications	B.Eng (Hons, Civil), B.Com (Mgmt, Mktg), PhD (Geotechnical Engineering) from the University of Western Australia, Adv Dip Bus from Federation University, Graduate of the Australian Institute of Company Directors.
Length of Service	5 years as Managing Director
Experience	Gerard Dyson is a seasoned Managing Director and prior to joining Spectur held the role of Executive Vice President and Regional Managing Director, Americas for Advisian, a global consulting and advisory firm of Worley Limited (ASX:WOR), from 2015 to 2018. Dr Dyson has held a number of global, regional and local roles in Australia, USA, Canada, Latin America, Asia and the Middle East, including as Group Managing Director, Infrastructure in 2014 to 2015 and Director of Consulting, Australia & New Zealand from 2011 to 2014. Dr Dyson has also led sales teams, developed and implemented strategy and has strong experience in infrastructure, environment, mining, power and chemicals sectors.

Mr Marco Da Silva	**Independent Non-Executive Director**
Qualifications	Certificates from INTEC College in Business Management and Electronics, Certificate from EPCOS (Germany) in Power Quality and Certificate from Vetasses in Electronics and Communications
Length of Service	7 months
Experience	Marco da Silva is a technology entrepreneur and Director of several engineering companies involved in power and energy products including electrical transformers, power conditioning and renewable energy. Marco's area of expertise covers both electrical and electronic engineering with over 20 years in the field of power conditioning and energy storage. He has extensive exposure to the mining, utility and government sectors across Australia and South Africa, along with deep expertise in design, manufacturing, supply chain management and international sourcing and servicing.

Directorships of other listed companies

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

Name	Company	Period of directorship
Mr Darren John Cooper	The GO2 People Limited Xamble Group Limited (formerly Netccentric Limited)	28 July 2017 – 30 April 2023 1 Sept 2020 – 31 May 2024
Dr Gerard John Dyson	-	-
Ms Bilyana Smith (resigned 23 November 2023)	-	-
Marco Da Silva (appointed 23 November 2023)	-	-
Rhett Morson (appointed 1 December 2023 and resigned 11 June 2024)	-	-

Company Secretary for the reporting period

Mrs Suzie Jayne Foreman

Company Secretary
Qualifications: B Comm (Econs), CA, FGIA.
Ms Foreman is a Chartered Accountant and Governance Institute Fellow member, with over 20 years of experience within the UK and Australia, including 11 years combined experience with a Big 4, and a boutique advisory firm, specialising in the areas of audit and corporate services. Ms Foreman has extensive experience in senior management roles including as a Chief Financial Officer and Company Secretary for a range of ASX listed entities from ASX top 300 tier entities to start-up enterprises. Ms Foreman is skilled in cash flow, governance and enterprise risk management, financial reporting, audit, and company secretarial work. Suzie has been involved in the listing of over 15 entities on the Australian Securities Exchange over the past 20 years and involved in capital raisings and M&A transactions exceeding $300 million in total.

Ms Foreman has previously held numerous Company Secretarial, Non-Executive Directorships, and/or Chief Financial Officer positions for ASX listed entities and is the Company Secretary and a non-executive director of NickelSearch Limited (ASX:NIS), and Company Secretary of Swift Networks Group Limited (ASX:SW1).

Principal activities

The principal activities of the Group during the year were providing security, safety, environmental monitoring and visual AI solutions that contribute to making communities safer, smarter and more sustainable. Spectur develops, manufactures and sells solar-powered and remotely connected hardware, and writes firmware, software, cloud and web apps that enable solutions to be delivered reliably and securely to customers. An in-house customer service team provides warehousing, installation, repair and maintenance services to Spectur customers and resellers. The Company also provides a selection of 3rd party hardware and software to supplement its in-house capabilities.

Dividends

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

Employees

The Group had 26 employees as at 30 June 2024 (2023: 35 employees).

Loss per share

	30 June 2024	30 June 2023
Basic loss per share (cents per share)	(1.1)	(1.6)

Subsequent events after the reporting date

On 29 July 2024 Spectur raised $465,000 via the Placement of 23,250,000 fully paid ordinary shares from among its largest shareholders, being the shortfall from the May 2024 Entitlements Offer. The shares were issued at the same price as the Entitlement Offer shares, being 2.0c per Share with an additional attaching unlisted Option exercisable at 2.9c on or before 30th May 2025.

On 9 August 2024, the Company accelerated its R&D advance by utilising a short-term loan facility from Radium Capital, for $271,000. The R&D advance will be likely repaid in Q2 FY24, when the refund is anticipated to be received.

The Directors are not aware of any matter or circumstance that has arisen since 30 June 2024 which 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 future financial years.

Laws and Regulations

Spectur's operations are subject to various laws and regulations under the relevant government legislation. Full compliance with these laws and regulations is regarded as a minimum standard for all operations to achieve the objectives of the Company. Instances of non-compliance by an operation are identified either by internal investigations, external compliance audits or inspections by relevant government agencies. There have not been any known breaches of laws and regulations by the Company during the year and up to the date of this report.

Indemnification and Insurance of Officers

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

During the year the Company has paid a premium in respect of directors' and executive officers' insurance. The contract contains a prohibition on disclosure of the amount of the premium and the nature of the liabilities under the policy.

Directors' meetings

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

Director	Directors' meetings	
FY24	No. eligible to attend	No. attended
Darren Cooper	12	12
Bilyana Smith	5	5
Gerard Dyson	12	12
Marco Da Silva	8	8
Rhett Morson	7	7

Securities on issue

Total shares, options and performance rights and service rights of the Company on issue as at the date of this report are as follows:

Number of fully paid ordinary shares	Number of options over ordinary shares	Number of performance rights	Number of service rights
290,748,271	102,166,410	52,857,310	7,000,000

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

Shares under option or issued on exercise of options

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

Type	Number of shares under option	Exercise price of option	Expiry date of option
Unlisted	41,839,035	$0.066	7 September 2024
Unlisted	1,500,000	$0.066	7 September 2025
Unlisted	58,827,375	$0.029	30 May 2025
Total	**102,166,410**		

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

Performance and Service Rights

As at the date of this report, the following performance and service rights in the Company were on issue.

Type	Date of Expiry	No. of Performance Rights on Issue	Vesting Conditions
Employee LTI Issued FY23	30 June 2024	7,287,317	Revenue (33.3%), Annual recurring Revenue (33.4%) and EBITDA (33.3%) targets.
MD LTI issued FY23	31 December 2024	8,763,522	Revenue (33.3%), Annual recurring Revenue (33.4%) and EBITDA (33.3%) targets.
Employee LTI Issued FY24	30 June 2025	20,036,426	Revenue (33.3%), Annual recurring Revenue (33.4%) and EBITDA (33.3%) targets.
MD LTI issued FY24	31 December 2025	16,770,045	Revenue (33.3%), Annual recurring Revenue (33.4%) and EBITDA (33.3%) targets.
MD Service Rights	31 December 2025	6,000,000	Subject to continuous service over the vesting period to 1 December 2024
Co-Sec Service Rights	31 December 2025	1,000,000	Subject to continuous service over the vesting period to 1 December 2024
Total		**59,857,310**	

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Diversity

The Company believes that the promotion of cognitive and experiential diversity on its Board and within the organisation generally is good practice and is committed to managing diversity as a means of enhancing the Company's performance. The Company had two Officers / Directors who are female, Bilyana Smith (Non-Executive Director resigned 23 November 2023) and Suzie Foreman (Company Secretary). Cognitive & experiential diversity is achieved as follows:

Name	Role	Areas of Strength
Darren Cooper	Board Chair	Property, finance, significant ASX experience
Gerard Dyson	Managing Director	Engineering, leadership & management of scaled organisations, international (US, Canada, Asia, Middle East, UK) experience
Bilyana Smith (Resigned 23 November 2023)	Non-Executive Director	Marketing, Strategy, start-up / scale-up companies, marketing, international experience (UK, Asia, Middle East)
Suzie Foreman	Company Secretary	Compliance, accounting, significant ASX experience
Marco Da Silva	Non-Executive Director	Technology Entrepreneurship, Power & Energy Engineering, Supply Chain Management, International Experience
Rhett Morson (Resigned 11 June 2024)	Non-Executive Director	Finance & Manufacturing, Strategy, Hardware Tech, Startups, Investment, Leadership

Further information is set out in the Corporate Governance statement detailed on the Company's website.

Non-audit services

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

Auditor independence

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the financial report. This Independence Declaration is set out on page 27 and forms part of this Directors' report for the year ended 30 June 2024.

Director's interests

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

Directors	Number of fully paid ordinary shares	Number of options over ordinary shares	Number of performance rights	Number of service rights
Darren John Cooper	6,987,880	1,631,291	-	-
Bilyana Smith(i)	1,782,947	916,667	-	-
Gerard John Dyson	4,082,954	958,270	25,533,567	6,000,000
Marco Da Silva	3,750,000	-	-	-
Rhett Morson(i)	3,100,000	500,000	-	-
Total	**19,703,781**	**4,006,228**	**25,533,567**	**6,000,000**

(i) Number held at time of resignation.

Remuneration Report (Audited)

Remuneration Report Contents

Remuneration Report (Audited)

A. Introduction

This report, which forms part of the Directors' report, outlines the remuneration arrangements in place for the key management personnel (**KMP**) of Spectur Limited for the financial year ended 30 June 2024. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

For the purposes of this report KMP are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Key Management Personnel (KMP)

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

Name	Position	Period of Employment (to present)
Mr Darren John Cooper	Non-Executive Chairman	Full Term
Dr Gerard John Dyson	Managing Director (Executive)	Full Term
Ms Bilyana Smith	Non-Executive Director	Resigned 23 November 2023
Mr Marco Da Silva	Non-Executive Director	Appointed 23 November 2023
Mr Rhett Morson	Non-Executive Director	Appointed 1 December 2023 and resigned 11 June 2024

The Spectur Board is committed to transparent disclosure of its remuneration strategy and this report details the Company's remuneration objectives, practices and outcomes for KMP, which includes all directors, for the year ended 30 June 2024.

B. Remuneration Governance

<table>
<tr><th colspan="2">Spectur Board</th></tr>
<tr><td colspan="2">Spectur Board has overall responsibility for ensuring Spectur's remuneration strategy is aligned with Company performance and shareholder interests and is equitable for participants.</td></tr>
<tr><td>The Board monitors, reviews and approves the following:
➢ The remuneration policies and framework;
➢ Non-Executive Director remuneration within the fee pool approved by shareholders;
➢ Remuneration for the Managing Director, and equity-based compensation for the leadership team and other key management personnel as recommended by the Managing Director;
➢ Managing Director incentive arrangements;
➢ Board remuneration including terms and conditions of appointment and retirement;
➢ Induction of new non-executive directors and evaluation of board performance.</td><td>The Board may use independent advisors to provide advice, remuneration benchmarking data and market trend information. No external advisors provided advice or remuneration recommendations for FY24, as defined under section 300A of the Corporations Act.</td></tr>
<tr><th colspan="2">Managing Risk</th></tr>
<tr><td colspan="2">The board retains discretion to adjust incentive outcomes.
All variable remuneration is subject to Board approval prior to grant / payment.</td></tr>
</table>

C. Remuneration Policy Framework

The key objective of Spectur's remuneration policy is to be an enabler for the Company in achieving its strategic goal of continuing to build a successful remote solar-powered sensing and cloud-based technology solutions company. The remuneration framework is designed to attract and retain high caliber talent by rewarding them for achievement of goals designed to deliver shareholder value.

<table>
<tr><th colspan="3">Remuneration Policy</th></tr>
<tr><td colspan="3">The Company's remuneration framework has been designed to reward executives and employees fairly and responsibly in accordance with the market in which the Company operates. Remuneration is performance driven, market completive, and aligns with shareholder interests.</td></tr>
<tr><th colspan="3">Remuneration Strategy</th></tr>
<tr><th>Performance Driven</th><th>Market Competitive</th><th>Aligns with Shareholders</th></tr>
<tr><td>Sets demanding levels of expected performance that have a clear link to an executive's remuneration.

Rewards are based upon achievement of targets aligned to the Company's business plans and longer-term strategy.

Variable components (short and long term) are driven by challenging targets focused on external and internal measures of financial and non-financial performance.

A proportion of the executive's remuneration is "at risk."</td><td>Benchmarks remuneration against appropriate comparator peer groups to make the Company competitive in the human resources market, through an offering of both short and long-term incentives and competitive base salaries.

Provides competitive rewards that attract, retain and motivate executives and employees of the highest calibre, who can successfully deliver, particularly as the Company moves through a rapid growth phase.

Provides a level of remuneration structure to reflect each executive's respective duties and responsibilities.</td><td>Aligns executive incentive rewards with the creation of value for shareholders through an emphasis on variable remuneration. Incentive plans and performance measures are aligned with the company's success.

Equity participation in long term incentive plan (LTIP) applies to executives and the leadership and senior management team of Spectur.</td></tr>
</table>

D. Remuneration Structure

The proportion of fixed remuneration and variable remuneration for the Managing Director is established by the Board with reference to market comparator data and the scope of the Managing Director's role, in accordance with the Remuneration Policy and the provisions of the Short Term Incentive (**STI**) and Long Term Incentive (**LTI**) Plans. These elements are both described in detail below. Non-Executive Directors are excluded from participation.

<table>
<tr><th>Fixed Remuneration</th><th>Variable Remuneration</th></tr>
<tr><td>Fixed remuneration is made up of base salary and superannuation.

Fixed remuneration is targeted at the remuneration paid to executives of relevant comparable peer group of ASX companies taking into account the executive's role, responsibility, skills and previous experience.</td><td>Variable component of executive target remuneration mix allows a greater share of remuneration at risk and subject to performance.

LTI (at risk) plan in the form of performance rights.
➢ Grants made annually with vesting after two years for FY24 and FY25.

➢ Performance hurdles reviewed annually by the Board to align with the Company's strategic plan.
- The hurdles applied to reflect stretched achievement against the Company's long-term strategic goals.

Hurdles tested at the end of the testing period, typically a 2 year period.</td></tr>
</table>

E. Executive remuneration framework and overview of incentive plans

Variable Remuneration – Long Term Incentive Plan

Under the Company's Long-Term Incentive (LTI) arrangements, the Board has determined that eligible participants may earn an LTI award in the form of Performance Rights for the achievement of pre-determined key performance measures (KPIs) each financial year. The KPIs are objectively set at the commencement of the year, measured, and LTIs awarded at the end of the financial year based upon results. LTI awards for executives are contractual, in accordance with their Executive Service Agreements.

The hurdles motivate executives with a clear line of sight to strategic outcomes through the performance hurdle measurements. When expectations are met, the LTIP is intended to vest and deliver the appropriate level of remuneration and market positioning.

In total, the Company granted 16,770,045 performance rights to the Managing Director for FY24 which were approved by shareholders at the Company Annual General Meeting in October 2023.

The Board also considered retention as a key driver of the LTI scheme for FY24 and FY25. Given economic conditions and the labour market constraints in FY24 and beyond, in order to remain competitive in an inflationary environment, equity incentives were used as a mechanism to deliver the value gap for senior management, to align the Company with the fixed annual remuneration of peer companies. The performance rights have a 2-year vesting retention period.

The structure and details of LTIP Performance Rights issued to executives in FY24 and FY25 under the plan are summarised in the following table:

Long Term Equity Incentive Plan (LTIP)	
Aspect	**Plan, Offers and Comments**
Purpose	The LTIP's purpose is to align executive interests with those of shareholders by linking reward to sustainable value creation for shareholders and to assist in the attraction and retention of a stable focused Managing Director and leadership team.
Participation	Grants are made to those executives and key employees that are able to influence the generation of shareholders' wealth and thus have a direct impact on the Company's performance against the relevant long-term performance hurdle. NEDs are not eligible to participate in the LTIP.
Nature	Each LTIP Performance Right entitles the participant to one share in the Company upon vesting.
Grant Frequency	Annual grant and ad-hoc on commencement of employment and future potential grants.
Delivery	LTI's are delivered under the Company's Employee Incentive Plan (**EIP**). The EIP enables the Company to offer Executive Directors and key employees (**Eligible Participants**) a range of different employee incentive scheme (**ESS**) interests with the aim of attracting, motivating and retaining key management. These ESS interests or awards include options, performance rights, service rights, deferred shares, exempt shares, cash rights and stock appreciation rights. Awards under the LTI plan are made in the form of Performance Rights which provide, when vested, one share at nil cost (provided the specified performance hurdle is met). No dividends are paid on unvested LTI awards. A new share will be issued for each vested Performance Right. The number of Performance Rights allocated for each Eligible Participant is calculated by reference to their maximum LTI opportunity value.
Value / Number	Allocations are made based on a face value approach using the Volume Weighted Average Price of Spectur's shares over a specified period prior to the award date. This fixes the maximum number of shares / rights, and the actual number will vest in accordance with the performance conditions which are set.
Vesting Period	2 years
Key Performance indicators, weightings and performance goals	➢ Refer to performance metrics table below. All awards to related parties are subject to approval by shareholders at the Company's annual general meeting.

Cessation of employment during measurement period	If cessation of employment occurs, the following treatment will apply in respect of unvested rights: • If the participant ceases employment with Spectur on resignation or on termination for cause, unvested Performance Rights will normally be forfeited. • If the participant ceases employment in other circumstances (for example, due to illness, total or permanent disablement, retirement, redundancy, or other circumstances determined by the Board), unvested rights will stay 'on foot' and may vest at the end of the original performance period to the extent performance conditions are met. The Board may determine in its discretion that the number of rights available to vest will be reduced pro-rata for time at the date employment ceases. The Board will retain discretion to allow for accelerated vesting (pro-rated for performance and/or time) in special circumstances (as opposed to allowing unvested rights to remain 'on foot' on cessation of employment).
Change of Control	Unless the Board determines otherwise, a pro-rata number of the participant's unvested rights will vest based on the proportion of the performance period that has passed at the time of the change of control. Vesting may also be subject to the achievement of pro-rata performance conditions at the time of the change of control.
Plan gate and discretion	Safety performance as a "deleterious multiplier" which may be modified at the Board's discretion to suit the circumstances of the event(s). The Board retains discretion to modify outcomes to ensure that the LTIP does not produce outcomes that shareholders would be likely to consider inappropriate.

The performance of KMPs during the year ended 30 June 2024 for Long-Term incentives were assessed against key performance measures that covered the following areas:

Indicator		% Weighting	Reason for selection
Company Performance			*Shareholder value, operational excellence and growth.*
(a)	Achievement of combined 2 financial years' annual Revenue	33.3%	To drive sales and overall company revenue growth
(b)	Achievement of combined 2 financial years' Annual Recurring Revenue	33.3%	Focus on value growth through the stickiness of revenue contracts (ie, for future periods)
(c)	Achievement of combined 2 financial years' EBITDA	33.3%	Reflects improvements in revenue and cost control.

In the year ended 30 June 2024 51% of the performance rights with vesting periods in the year vested based on the current year results.

Performance and remuneration outcomes for year ended 30 June 2024

Remuneration Consultants

The Board may use independent Remuneration Consultants to provide advice but elected not to do so for year ended 30 June 2024.

Remuneration Policy vs Financial Performance

The Company does not currently have a policy with respect to the payment of dividends and returns of capital however this will be reviewed on an annual basis.

FY24 short term remuneration incentives were linked to financial performance, product development initiatives and individual performance measures. Longer term incentives were linked to Revenue, ARR and EBITDA targets.

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

	2024 $	2023 $	2022 $	2021 $	2020 $
Revenue	8,185,873	7,367,578	5,828,024	5,248,882	4,801,655
EBITDA (loss)	(2,222,459)	(2,139,756)	(1,908,779)	(1,755,415)	(1,452,264)
Adjusted EBITDA (loss)[1]	(1,401,357)	(1,610,019)	(1,485,343)	(1,736,321)	(1,474,251)
Earnings / (Loss) Per Share (cents per share)	(1.11)	(1.62)	(1.80)	(1.70)	(2.25)

[1] Adjusted EBITDA is adjusted for share-based compensation, one off income / expenses ,impairments, write downs, one off gains / losses, restructuring costs and non-cash expenses.

F. Non-Executive Director Remuneration During the Reporting Period

Remuneration Policy

In accordance with best practice corporate governance, the structure of Non-Executive Director (**NED**) and executive remuneration is separate and distinct. The overall level of annual NED fees was approved by shareholders in accordance with the requirements of the Company's Constitution and the Corporations Act. The maximum aggregate pool of Directors' fees payable to all of the Company's NEDs is $250,000 per annum. This aggregate amount was approved by shareholders at the 2017 Annual General Meeting.

Equity Compensation

In accordance with Australian practice the Company's policy was not to grant any equity-based incentives to NEDs. In the prior year Spectur Chair Darren Cooper had agreed to take 100% of his Director fees in Spectur as fully paid ordinary shares for the 6-month period from 1 April 2023 to 30 September 2023. 2,386,021 shares at $0.022 were issued based on the volume-weighted average price of shares traded each month over the period, following shareholder approval granted at the 2023 Annual General Meeting. The commitment by Mr Cooper to take shares in lieu of cash consideration from 1 December 2023 to 30 September 2024 was made again in the current financial year. Mr Da Silva and Mr Morson also agreed to take 100% of their director fees in shares for the period from their appointment to 30 September 2024. The issue of shares will be subject to approval by shareholders at the next general meeting, failing which accrued director fees will be paid in cash.

Remuneration Structure

NEDs received a fixed remuneration of base fees, which was set at $56,000 per annum and $105,000 for the Chair plus statutory superannuation. These fees cover the board activities and membership of any relevant committees. In addition to these fees, NEDs are entitled to reimbursement of reasonable travel, accommodation and other expenses incurred in attending meetings of the Board, committee or shareholder meetings whilst engaged by Spectur. NEDs are not entitled to any compensation on termination of their directorships.

NEDs remuneration is not linked to the performance of the Company; however, to align directors' interests with shareholder interests, the directors may hold shares in the Company as governed by the Company's Securities Trading Policy.

G. Director and Executive Service Agreements and Remuneration

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

	Base Salary/ Fee per annum	Terms of Agreement	Notice Period
Executive Directors			
Gerard Dyson	$312,000 per annum to 31 December 2023, then $324,000 per annum from 1 January 2024 onward, and STI and LTI component included and detailed above.	Executive Service Agreement - Commencement date – 1 July 2019	3 months in writing by either party. The parties mutually agreed to amend the contract from a fixed term to a rolling contract with a 3-month notice period.
Non-Executive Directors [(i)]			
Darren Cooper	$105,000 + super per annum	Non-Executive Chair contract Commencement date – 5 October 2018	Upon written advice of intention or in accordance with the Constitution of the Company or the Corporations Act 2001
Marco Da Silva	$56,000 + super per annum	Non-Executive Director contract Commencement date – 23 November 2023	Upon written advice of intention or in accordance with the Constitution of the Company or the Corporations Act 2001
Rhett Morson	$56,000 + super per annum	Non-Executive Director contract Commencement date –1 December 2023 and resigned 11 June 2024	Upon written advice of intention or in accordance with the Constitution of the Company or the Corporations Act 2001

Remuneration Report (Audited)

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

	Short-term benefits				
FY2024	**Salary & fees $**	**Post-employment benefits $**	**Share-based payments (i) $**	**Total $**	**Percentage performance related %**
Non-Executive Directors					
Darren Cooper	17,500	11,550	87,500	116,550	0%
Bilyana Smith (resigned 23 November 2023)	23,333	2,567	-	25,900	-
Marco Da Silva (appointed 23 November 2023)	-	3,713	33,756	37,469	0%
Rhett Morson (appointed 1 December 2023 and resigned 11 June 2024)	-	3,216	29,244	32,460	0%
Executive Directors					
Gerard Dyson (ii)	327,120	35,983	151,293	514,396	21%
Total	**367,953**	**57,029**	**301,793**	**726,775**	

Notes:

(i) Darren Cooper agreed to take 100% of his Director fees in Spectur fully paid ordinary shares for the 6-month period from 1 April 2023 to 30 September 2023 as well as from 1 December 2024 to 30 September 2024. Marco Da Sliva and Rhett Morson also agreed to take their Director fees in Spectur fully paid ordinary shares from their commencement dates. The Share Based payment is the Equity in lieu of salary (accounted for in FY24). The number of shares to be issued will be calculated at the volume-weighted average price for shares traded each month over the period, with shareholder approval to the issue of shares to be sought at the 2024 Annual General Meeting.

(ii) The share-based payments related to the value of Long Terms Incentive Performance Rights which were issued to Gerard Dyson following shareholder approval at the 2023 AGM. In accordance with AASB 2, the performance rights issued to the Managing Director have been valued based on factors such as the underlying share price, the expected vesting date and vesting probability in achieving the specified vesting hurdles at the reporting date (Note 26). It should be noted that Dr Dyson has not received this amount and the performance rights may have no actual financial value unless the required performance hurdles are achieved. Stock may also be issued to the recipient at a share issue price lower or higher than valued and recognised in the financial report.

	Short-term benefits				
FY2023	**Salary & fees $**	**Post-employment benefits $**	**Share-based payments $**	**Total $**	**Percentage performance related %**
Non-Executive Directors					
Darren Cooper (i)	71,250	10,238	26,250	107,738	-
Bilyana Smith (i)	52,000	5,460	-	57,460	-
Executive Directors					
Gerard Dyson (ii)	311,585	32,716	194,871	539,172	41%
Total	**434,835**	**48,414**	**221,121**	**704,370**	

Notes:

(i) Darren Cooper had agreed to take 100% of his Director fees in Spectur fully paid ordinary shares for the period from 1 April 2023 to 30 September 2023. The Share Based payment is the Equity in lieu of salary (accounted for in FY23).

(ii) The share-based payments related to the value of Long Terms Incentive Performance Rights which were issued to Gerard Dyson following shareholder approval at the 2023 AGM. In accordance with AASB 2, the performance rights issued to the Managing Director had been valued based on factors such as the underlying share price, the expected vesting date and vesting probability in achieving the specified vesting hurdles at the reporting date.

I. Additional statutory disclosures

Key Management Personnel Equity Holdings

Fully paid ordinary shares

FY24

30 June 2024	Balance at beginning of year Number	Balance at appointment in FY24	Granted in lieu of cash compensa-tion Number	Received on exercise of PRs Number	Purchased during year Number	Balance at resignation Number	Balance held at year end Number
Non-Executive Directors							
Darren Cooper [i][ii]	3,437,258	-	2,386,021	-	1,164,601	-	6,987,880
Bilyana Smith	1,782,947	-	-	-	-	1,782,947	-
Marco Da Silva[i]	-	3,750,000	-	-	-	-	3,750,000
Rhett Morson [i] [ii]		2,350,000	-	-	750,000	3,100,000	-
Executive Directors							
Gerard Dyson[ii]	3,402,461	-	-	-	680,493	-	4,082,954

[i] Granted in lieu of director fees during the year.
[ii] Purchased at $0.020 per share pursuant to the Company's May 2024 entitlement offer·

FY23

30 June 2023	Balance at beginning of year Number	Granted in lieu of cash compensatio n Number	Received on exercise of PRs Number	Purchased during year Number	Balance at resignation Number	Balance held at year end Number
Non-Executive Directors						
Darren Cooper [ii]	2,503,879	-	-	933,379	-	3,437,258
Bilyana Smith [ii]	749,614	-	-	1,033,333	-	1,782,947
Executive Directors						
Gerard Dyson [i] [ii]	1,662,179	784,727	-	955,555	-	3,402,461

[i] Granted as a share award pursuant to the FY23 incentive plan.
[ii] Purchased 555,555 shares at $0.036 per share pursuant to the Company's September 2023 share purchase plan. Remainder purchased on market.

Share options

Share options granted to KMP

During the financial year the options detailed below were granted to Directors of the Group and the entities they controlled as part of their remuneration.

FY24

30 June 2024	Balance at beginning of year Number	Granted as compensation Number	Purchased Number	Expired unexercised Number	Balance at resignation Number	Balance at end of year Number
Non-Executive Directors						
Darren Cooper [i]	966,690	-	1,164,601	-		2,131,291
Bilyana Smith	916,667	-	-	-	916,667	-
Marco Da Silva	-	-	-	-	-	-
Rhett Morson[i]	-	-	500,000	-	500,000	-
Executive Directors						
Gerard Dyson[i]	1,377,777	-	680,493	-		2,058,270

[1] Purchased shares with a free attaching option pursuant to the Company's May 2024 entitlements offer.

Share options granted to KMP (continued)
FY23

30 June 2023	Balance at beginning of year Number	Granted as compensation[1] Number	Purchased Number	Expired unexercised Number	Balance at end of year Number
Non-Executive Directors					
Darren Cooper [1]	500,000	-	466,690	-	966,690
Bilyana Smith [1]	500,000	-	416,667	-	916,667
Executive Directors					
Gerard Dyson [1]	1,100,000	-	277,777	-	1,377,777

[1] Purchased shares with a free attaching option pursuant to the Company's September 2023 share purchase plan.

During the year current and prior year, the following Performance and Service Rights were granted to G Dyson as part of the Company's LTI plan.

FY24

	Balance at beginning of year Number	Issued during the year Number	Cancelled / forfeited during the year Number	Balance at end of year Number	Vested and Exercisable Number
Director – G Dyson					
Service rights	6,000,000	-	-	6,000,000	-
Performance rights	8,763,522	16,770,045	-	25,533,567	-

FY23

	Balance at beginning of year Number	Issued during the year Number	Cancelled / forfeited during the year Number	Balance at end of year Number	Vested and Exercisable Number
Director – G Dyson					
Service rights	-	6,000,000	-	6,000,000	-
Performance rights	6,993,139	8,763,522	(6,993,139)	8,763,522	-

Performance Rights

For details of the Employee Securities Incentive Plan (ESIP) and terms of the Performance and Service Rights granted during FY24, please refer to Notes 9 and 26. All share options issued to KMP were made in accordance with the provisions of the Spectur ESIP.

Comments on Remuneration Report at Spectur's most recent AGM

The Company received 91.3% of "yes" votes on its remuneration report for the 2023 financial year. The Company did not receive any specific feedback from shareholders at the 2023 Annual General Meeting on its remuneration practices.

Signed in accordance with a resolution of the directors.

Mr Darren John Cooper
Director
Dated this 30 August 2024

HLB MANN JUDD
ADVISORY AND ACCOUNTING

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Spectur Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

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

Perth, Western Australia	**L Di Giallonardo**
30 August 2024	**Partner**

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2024

	Notes	30 June 2024 $	30 June 2023 $
Continuing Operations			
Revenue	5	8,185,873	7,367,578
Cost of sales		(3,660,607)	(3,218,611)
Gross profit		4,525,266	4,148,967
Government grants received		8,732	18,000
Other income		1,309	361
Depreciation and amortisation		(238,703)	(313,883)
Employee benefits		(5,001,355)	(4,301,784)
Finance charges	6	(157,856)	(127,040)
General and administrative expenses		(1,071,820)	(1,228,619)
Impairment of intangible assets		(48,130)	(435,225)
Inventories written off		(502,451)	-
Loss on disposal of property, plant and equipment		(54,184)	(268)
Marketing and advertising		(294,871)	(232,154)
Property expenses – lease payments for short term leases		(67,803)	(47,805)
Research and development expenses		(67,005)	(285,451)
Fair value remeasurement (on acquisition of subsidiary)		-	50,708
Reversal of prior period impairment of loan to associate		-	37,734
Share-based payment expense	26	(103,449)	(529,738)
Loss before income tax benefit		**(3,072,321)**	**(3,246,197)**
Income tax benefit	7	494,094	323,132
Loss for the year		**(2,578,227)**	**(2,923,065)**
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(3,050)	1,661
Total comprehensive loss for the year		**(2,581,277)**	**(2,921,404)**
Basic and diluted loss per share (cents per share)	10	**(1.1)**	**(1.6)**

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

At 30 June 2024

	Notes	30 June 2024 $	30 June 2023 $
Assets			
Current Assets			
Cash and cash equivalents	11	764,895	1,522,090
Trade and other receivables	12	1,749,409	1,317,740
Inventories	13	646,996	1,072,164
Total Current Assets		**3,161,300**	**3,911,994**
Non-Current Assets			
Property, plant and equipment	14	387,247	504,734
Other receivables		132,651	128,304
Intangible assets	15	153,139	238,107
Right-of-use assets	16	730,128	809,620
Total Non-Current Assets		**1,403,165**	**1,680,765**
Total Assets		**4,564,465**	**5,592,759**
Liabilities			
Current Liabilities			
Trade and other payables	17	1,037,526	742,647
Employee benefits	18	522,415	664,212
Borrowings	19	9,187	6,374
Lease liabilities	20	141,329	154,498
Unearned revenue	22	1,200,939	727,388
Provisions	21	156,200	132,700
Total Current Liabilities		**3,067,596**	**2,427,819**
Non-Current Liabilities			
Borrowings	19	55,326	724,587
Lease liabilities	20	630,372	661,991
Unearned revenue	22	663,451	-
Employee benefits	18	68,495	50,109
Total Non-Current Liabilities		**1,417,644**	**1,436,687**
Total Liabilities		**4,485,240**	**3,864,506**
Net Assets		**79,225**	**1,728,253**
Equity			
Issued capital	8	16,923,016	16,109,084
Reserves	9	587,912	730,413
Accumulated losses		(17,431,703)	(15,111,244)
Net Equity		**79,225**	**1,728,253**

The accompanying notes form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2024

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2023	16,109,084	730,413	(15,111,244)	1,728,253
Loss after income tax for the year	-	-	(2,578,227)	(2,578,227)
Other comprehensive income		(3,050)	-	(3,050)
Total Comprehensive loss for the year	**-**	**(3,050)**	**(2,578,227)**	**(2,581,277)**
Shares issued during the period	839,047	-	-	839,047
Share issue costs	(25,115)	-	-	(25,115)
Value of expired performance rights written back	-	(148,796)	-	(148,796)
Expired options written back to retained earnings	-	(257,768)	257,768	-
Value of performance rights brought to account during the period	-	350,888	-	350,888
Reassessment of vesting conditions of performance rights	-	(191,643)	-	(191,643)
Value of service rights brought to account during the period	-	107,868	-	107,868
Balance as at 30 June 2024	**16,923,016**	**587,912**	**(17,431,703)**	79,225

	Issued Capital $	Reserves $	Accumulated Losses $	Total Equity $
Balance at 1 July 2022	12,565,412	266,130	(12,188,179)	643,363
Loss after income tax for the year	-	-	(2,923,065)	(2,923,065)
Other comprehensive income		1,661	-	1,661
Total Comprehensive loss for the year	**-**	**1,661**	**(2,923,065)**	**(2,921,404)**
Shares issued during the period	3,864,987	-	-	3,864,987
Share issue costs	(321,315)	-	-	(321,315)
Value of expired performance rights written back	-	(8,361)	-	(8,361)
Value of options brought to account during the period	-	28,024	-	28,024
Value of performance rights brought to account during the period	-	381,275	-	381,275
Value of service rights brought to account during the period	-	61,684	-	61,684
Balance as at 30 June 2023	**16,109,084**	**730,413**	**(15,111,244)**	**1,728,253**

The accompanying notes form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2024

	Notes	30 June 2024 $	30 June 2023 $
Cash flows from operating activities			
Receipts from customers		8,941,373	7,438,251
Payments to suppliers and employees		(9,583,434)	(8,890,611)
Interest received		1,309	-
Other Government grants received		8,732	18,000
R & D tax incentives received		439,581	288,243
Net cash used in operating activities	11.1	**(192,439)**	**(1,146,117)**
Cash flows from investing activities			
Payments for loans to joint venture		-	(120,135)
Payments to acquire investments – net of cash acquired		-	(514,774)
Proceeds from sale of property, plant and equipment		-	4,357
Purchase of property, plant and equipment		(213,018)	(165,251)
Net cash used in investing activities		**(213,018)**	**(795,803)**
Cash flow from financing activities			
Proceeds from issue and subscription of shares		839,047	3,512,414
Payments for share issue costs		(25,115)	(321,315)
Repayment of lease liabilities		(255,486)	(195,222)
Proceeds from borrowings		-	400,000
Interest paid and other finance costs		(60,880)	(96,018)
Repayment of borrowings		(849,304)	(465,462)
Net cash from/(used in) financing activities		**(351,738)**	**2,834,397**
Net (decrease) / increase in cash and cash equivalents held		(757,195)	892,477
Cash and cash equivalents at the beginning of the year		1,522,090	629,613
Cash and cash equivalents at the end of the year		**764,895**	**1,522,090**

The accompanying notes form part of these financial statements.

Note 1. Basis of Preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standard 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").

The accounting policies detailed below have been consistently applied to all the years presented unless otherwise stated. The financial statements are for Spectur Limited ("Company") and its controlled entities which are included in Note 28 ("Group").

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, certain classes of property, plant and equipment and derivative financial instruments.

The financial statements are presented in Australian dollars.

Spectur is listed on the Australian Securities Exchange (**ASX**) and is a public company, incorporated in Australia and operating in Australia and New Zealand. The Group's principal activities are detailed in the Directors' Report.

(a) Statement of compliance

The financial report was authorised for issue on 30 August 2024.

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

(b) Adoption of New and Revised Standards

New Standards and Interpretations applicable for the year ended 30 June 2024

For the year ended 30 June 2024, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. As a result of this review the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the Group, and therefore no change is necessary to accounting policies.

New Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the year ended 30 June 2024. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to accounting policies.

(c) Going Concern

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

Note 2. Material Accounting Policies

(a) Revenue recognition

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer.

For each contract with a customer, the Company:

- 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 based on 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.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of service

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.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

(b) Other Income and Expenses

Dividends

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

Interest income

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

Borrowing costs

Borrowing costs are capitalised that are directly attributable to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(c) Income Tax Expense

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

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

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

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

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

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

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

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

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.
Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.
Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST except:

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.
Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

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

(d) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director of Spectur Limited.

(e) Cash and Cash Equivalents

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

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

(f) Trade and Other Receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 30 days to 60 days.

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

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

(g) Inventories

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

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

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

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

(h) Property, plant and equipment

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

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

Motor vehicle	25%
Plant equipment	10% to 50%
Office equipment	10% to 50%
Spectur platforms	25% to 33%

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

(h) Property, plant and equipment (continued)

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to approximate fair value. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount.

The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the statement of comprehensive income in the cost of sales line item. However, because land and buildings are measured at revalued amounts, impairment losses on land and buildings are treated as a revaluation decrement.

Derecognition and disposal

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

(i) Intangible assets

Intangible assets acquired separately or as part of a business combination

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of acquisition. Intangible assets acquired separately are recorded at cost less accumulated amortisation and impairment. Amortisation is charged on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method is reviewed at the end of each annual reporting period, with any changes in these accounting estimates being accounted for on a prospective basis.

Internally generated intangible assets – research and development expenditure

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

An intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale;
- The intention to complete the intangible asset and use or sell it;
- The ability to use or sell the intangible asset;
- How the intangible asset will generate probable future economic benefits;
- The availability of adequate technical, financial and other resources to complete development and to use or sell the intangible asset; and
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.

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

Patents	8 years following grant of patent
Trademarks	10 years following grant of trademark
Other Intangibles	3 years following acquisition
Product development	3 to 5 years following commercial use

Impairment of tangible and intangible assets other than Other Intangibles

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

(j) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

(k) Trade and other payables

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

(l) Employee benefits

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave expected to be settled within 12 months of the balance date are recognised in employee benefits in respect of employees' services up to the balance date. They are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Liabilities accruing to employees in respect of wages and salaries, annual leave, long service leave and sick leave not expected to be settled within 12 months of the balance date are recognised in non-current employee benefits in respect of employees' services up to the balance date. They are measured as the present value of the estimated future outflows to be made by the Company.

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

(n) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following:

- future lease payments arising from a change in an index, or a rate used.
- residual guarantee.
- lease term.
- certainty of a purchase option and
- termination penalties.

When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(o) Provisions

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

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

Provisions are measured at the present value or management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as an interest expense.

Onerous contracts

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

Warranties

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

(p) Share-based payment transactions

Equity settled transactions

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

The Company has an Employee Incentive Plan (**EIP**) in place, which provides benefits to Directors, senior executives and employees and is governed by the EIP Rules.

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

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

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

Equity settled transactions (continued)

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects:
(a) the extent to which the vesting period has expired; and
(b) the Company's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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

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

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

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

(s) 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. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(t) Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

(u) Earnings per Share

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

Diluted earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the parent, adjusted for:
- costs of servicing equity (other than dividends) and preference share dividends;
- the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(v) Foreign currency translation

The functional and presentation currency of Spectur Limited is Australian dollars.
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance date.

All exchange differences in the financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

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

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

(v) Foreign currency translation (continued)

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

(w) Principals of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Spectur Limited (Company) as at 30 June 2024 and the results of all subsidiaries for the year then ended. Spectur Limited and its subsidiaries are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. These entities are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities within the Group are eliminated. Unrealised losses are also eliminated unless the transactions provide evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The acquisitions of subsidiaries are accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Non-controlling interest in the result and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the Group. Losses incurred by the Group are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the Group loses control over a subsidiary, it derecognises the assets (including goodwill), liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in the entity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Note 3. Critical Accounting Estimates and Judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Revenue from contracts with customers involving sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Company is considered to be the point of delivery of the goods to the customer, as this is deemed to be the time that the customer obtains control of the promised goods and therefore the benefits of unimpeded access.

(b) Inventories

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

(c) Useful lives of depreciable assets

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

(d) Impairment

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

(e) Share based payment transactions

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a binomial or trinomial model where appropriate.

The Company measures the cost of cash-settled share-based payments at fair value at the grant date using the volume weighted average traded share price for the equity granted taking into account the terms and conditions upon which the instruments were granted.

(f) Recovery of deferred tax assets

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

(g) Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. The allowance for expected credit losses, as disclosed in note 12, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

(h) Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the Company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The Company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

(i) Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

(j) Long service leave

The liability for long service leave expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

(k) Lease make good provision

A provision has been made for the present value of anticipated costs for future restoration of leased premises. The provision includes future cost estimates associated with closure of the premises. The calculation of this provision requires assumptions such as application of closure dates and cost estimates. The provision recognised for each site is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the statement of financial position by adjusting the asset and the provision. Reductions in the provision that exceed the carrying amount of the asset will be recognised in profit or loss.

(l) Warranty provision

In determining the level of provision required for warranties the Company has made judgements in respect of the expected performance of the products, the number of customers who will actually claim under the warranty and how often, and the costs of fulfilling the conditions of the warranty. The provision is based on estimates made from historical warranty data associated with similar products and services.

Note 4: Segment Reporting

The Company only operated in one segment, being design, development, manufacture and selling Remote Solar sensing, thinking and acting platforms and associated products and services, in Australia and New Zealand. The operations in New Zealand comprise an immaterial portion of the Group. Therefore, all activities of the Group are considered to represent only one segment.

Note 5: Revenue from Contracts with Customers

Disaggregation of revenue

AASB 15 requires an entity to disclose a disaggregation of revenue from contracts with customers. The Group has selected to disaggregate revenue according to the timing of the transfer of goods and/or services.

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

	30 June 2024 $	30 June 2023 $
At a point in time		
Equipment sales	1,869,383	2,104,556
Field services	864,077	856,917
	2,733,460	**2,961,473**
Over Time		
Equipment rentals	2,311,421	2,352,367
Subscription revenue	3,140,992	2,053,738
	5,452,413	**4,406,105**
Total revenue	**8,185,873**	**7,367,578**

The Company recognised an impairment loss on receivables from contracts with customers in the statement of profit or loss and other comprehensive income, amounting to $23,275 for the year ended 30 June 2024 (2023: $44,100).

Note 6: Finance charges

	30 June 2024 $	30 June 2023 $
Interest and finance charges paid/payable on borrowings	(60,880)	(102,537)
Interest and finance charges paid/payable on lease liabilities	(96,976)	(24,503)
	(157,856)	**(127,040)**

Note 7: Income Tax

	30 June 2024 $	30 June 2023 $
(a) The components of income tax benefit comprise:		
Research & Development tax incentive	(494,094)	(323,132)
	(494,094)	**(323,132)**
(b) The prima facie tax benefit on loss from ordinary activities before income tax is reconciled to the income tax as follows:		
Prima facie tax benefit on loss from ordinary activities before income tax at 25% (2023: 25%):	(754,634)	(811,549)
Effect of items that are not assessable/deductible in determining taxable loss:		
- Other non-allowable items	317,603	389,986
- Impairment of intangible assets	-	108,806
- Revenue losses not recognised	445,704	219,150
- Loss attributable to non-consolidated entities	-	(10,571)
- Other deferred tax balances not recognised	(8,673)	104,178
- Research & Development tax incentive	(494,094)	(323,132)
Income tax benefit reported in the consolidated statement of profit or loss and other comprehensive income	**(494,094)**	**(323,132)**
(c) Recognised deferred tax liabilities at 25% (2023:25%) (Note1)		
Intangible assets	-	(3,160)
Right of use assets	(155,234)	(168,547)
Prepayments	(31,564)	(9,918)
Property, plant and equipment	(9,411)	-
	(196,209)	**(181,625)**
Recognised deferred tax assets at 25% (2023:25%) (Note 1)		
Carry forward revenue losses	196,209	179,178
	-	2,447
Net deferred tax	**-**	**-**
(d) Unrecognised deferred tax assets at 25% (2023:25%) (Note 1)		
Carry forward revenue losses	2,424,155	2,269,767
Provisions and accruals	207,089	171,195
Lease liability	162,082	168,892
Capital raising costs	56,446	80,440
Other	6,625	1,367
	2,856,397	**2,691,661**

The tax benefits of the above Deferred Tax Assets will only be obtained if:

(a) the company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

(b) the company continues to comply with the conditions for deductibility imposed by law; and

(c) no changes in income tax legislation adversely affect the company in utilising the benefits.

Note 7: Income Tax (continued)

Note 1 - the corporate tax rate for eligible companies is 25% providing certain turnover thresholds and other criteria are met. All other companies are taxed at 30%. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

Note 2 - Comparative figures have been restated to meet legislative requirements. The overall tax position has not changed.

Note 8: Issued Capital

As at 30 June 2024, the Company had the following issued share capital:

Details	Date	Shares	Issue price ($)	$
Balance	30/06/2022	106,305,280		12,565,412
Placement Shares	7/09/2022	83,678,154	0.036	3,012,414
Issue of Shares to staff	7/10/2022	1,968,037	0.039	78,246
Issue of Shares to MD	23/01/2023	784,727	0.031	24,327
Shares issued on acquisition of Three Crowns Technologies Pty Ltd	17/02/2023	8,048,678	0.031	250,000
Placement Shares	2/06/2023	25,000,000	0.020	500,000
Share issue transaction costs, net of tax				(321,315)
Balance	30/06/2023	225,784,876		16,109,084
Placement Shares	24/10/2023	3,750,000	0.020	75,000
Remuneration Shares in lieu of salary	5/12/2023	2,386,021	0.022	52,500
Placement Shares	13/05/2024	12,500,000	0.020	250,000
Entitlements Issue	6/06/2024	23,077,374	0.020	461,547
Share issue transaction costs, net of tax				(25,115)
Balance	30/06/2024	**267,498,271**		**16,923,016**

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. Every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote for each share held on a poll.

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

Note 9: Reserves

Nature and purpose of reserves

Options Reserve

This reserve is used to record the value of options subscribed for or provided to employees and consultants. Refer to Note 26 for further details of these plans.

Performance and Service Rights Reserves

This reserve is used to record the value of performance and service rights provided to employees, Directors and consultants as part of their remuneration. Refer to Note 26 for further details of these plans.

Foreign Currency Translation Reserve

The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars.

Note 9: Reserves (continued)

At 30 June 2024, the Company had the following reserve accounts:

	30 June 2024 Number	30 June 2024 $	30 June 2023 Number	30 June 2023 $
Options	78,916,409	28,025	49,889,035	285,793
Performance rights	52,857,310	391,724	19,783,061	381,275
Service rights	7,000,000	169,552	7,000,000	61,684
Foreign currency translation reserve	n/a	(1,389)	n/a	1,661
Balance at end of year	**138,773,719**	**587,912**	**76,672,096**	**730,413**

OPTIONS RESERVE MOVEMENT

	30 June 2024 Number	30 June 2024 $	30 June 2023 Number	30 June 2023 $
Movement of Company options:				
Balance at beginning of year	49,889,035	285,793	6,550,000	257,768
Placement options issued	35,577,374	-	41,839,035	-
Options issued to directors	-	-	-	-
Lead manager options issued	-	-	1,500,000	28,025
Expired options written back to retained earnings	(6,550,000)	(257,768)	-	-
Balance at end of year	**78,916,409**	**28,025**	**49,889,035**	**285,793**

PERFORMANCE RIGHTS RESERVE MOVEMENT

	30 June 2024 Number	30 June 2024 $	30 June 2023 Number	30 June 2023 $
Movement of issued performance rights:				
Balance at beginning of year	19,783,061	381,275	10,579,477	8,361
Brought to account during the year [(i)]	45,062,424	350,888	24,651,259	381,275
Performance rights cancelled during the year [(ii)]	(11,988,175)	(148,796)	(15,447,675)	(8,361)
Reassessment of vesting conditions[(iii)]	-	(191,643)		
Balance at end of year	**52,857,310**	**391,724**	**19,783,061**	**381,275**

(i) Issued to key employees under Spectur's LTI plan. Refer Note 26.
(ii) Value of performance rights written back due employee cessation.
(iii) Value of performance rights written back due to vesting conditions not anticipated being met

Note 9: Reserves (continued)

SERVICE RIGHTS RESERVE MOVEMENT

	30 June 2024 Number	30 June 2024 $	30 June 2023 Number	30 June 2023 $
Movement of issued service rights:				
Balance at beginning of year	7,000,000	61,684	-	-
Brought to account during the year	-	107,868	7,000,000	61,684
Balance at end of year	**7,000,000**	**169,552**	**7,000,000**	**61,684**

Note 10: Loss per Share

Basic loss per share

	30 June 2024 Cents per share	30 June 2023 Cents per share
Basic and diluted loss per share	**(1.1)**	**(1.6)**

Losses

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

	30 June 2024 $	30 June 2023 $
Loss for the year	**(2,578,227)**	**(2,923,065)**

Weighted average number of ordinary shares

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

	30 June 2024 Number	30 June 2023 Number
Weighted average number of ordinary shares for the purpose of basic loss per share	**232,854,956**	**180,789,369**

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

Note 11: Cash and Cash equivalents

Reconciliation to the Statement of Cash Flows:

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank, net of outstanding bank overdrafts.

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

	30 June 2024 $	30 June 2023 $
Cash on hand and in bank	774,978	1,523,425
Credit cards	(10,083)	(1,335)
Net cash and cash equivalents	**764,895**	**1,522,090**

At 30 June 2024, the Company had a credit card facility of $50,000 (2023: $50,000) and does not attract any interest if paid within the required period.

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

	30 June 2024 $	30 June 2023 $
Loss for the year	(2,578,227)	(2,923,065)
Adjustments for non-cash income and expense items		
Depreciation and amortisation	511,266	388,550
Impairment of goodwill and intangible asset	48,130	435,225
(Profit) / Loss on disposal of property and equipment	48,531	268
Share-based payment expense	118,317	537,172
Fair value remeasurement (on acquisition of subsidiary)	-	(50,708)
(Profit) / loss attributable to non-consolidated entities	-	(37,734)
Inventory write off	502,451	-
Financing Interest	60,880	127,040
Change in assets and liabilities		
Increase in provisions and other liabilities	1,037,093	(62,379)
Decrease / (Increase) in trade and other receivables	(436,016)	659,285
(Increase) / decrease in inventories	(77,284)	(231,934)
Increase/(decrease) in trade and other payables	572,420	12,163
Net cash outflow from operating activities	**(192,439)**	**(1,146,117)**

Note 11: Cash and Cash equivalents (continued)

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

	Notes	Lease liability	Loans	Total
Balance at 1 July 2022		284,474	764,284	1,048,758
Acquisition of leases	19 & 20	548,028	-	548,028
Acquired through business combination	19	148,189	32,138	180,327
Increase in borrowings	20	-	400,000	400,000
Repayments	19 & 20	(188,705)	(561,479)	(750,184)
Interest paid		24,503	96,018	120,521
Balance at 30 June 2023	19 & 20	**816,489**	**730,961**	**1,547,450**
Acquisition of leases	19	113,722	-	113,722
Increase in borrowings		-	182,856	182,856
Repayments	19 & 20	(255,486)	(910,184)	(1,165,670)
Interest paid		96,976	60,880	157,856
Balance at 30 June 2024	**19 & 20**	**771,701**	**64,513**	**836,214**

Note 12: Trade and Other receivables

	30 June 2024 $	30 June 2023 $
Trade receivables (i)	1,285,800	926,664
Allowance for expected credit losses (ii)	(45,153)	(31,674)
	1,240,647	894,990
Prepayments	142,253	107,965
Other	(1,812)	977
R&D refund receivable	368,321	313,808
Total	**1,749,409**	**1,317,740**

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

(ii) Note 24 includes disclosures relating to the credit risk exposures and analysis relating to the allowance for expected credit losses.

Movement in allowance for expected credit losses

	30 June 2024 $	30 June 2023 $
Balance at the beginning of the year	31,674	31,941
Provision for expected credit losses	(9,796)	43,833
Written off	23,275	(44,100)
Closing balance	**45,153**	**31,674**

Note 12: Trade and Other receivables (continued)

Expected credit losses

The Company applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. In measuring the expected credit losses, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

The expected loss rates are based on the payment profile for sales over the past 24 months before 30 June 2024 and 30 June 2023 respectively as well as the corresponding historical credit losses during that period. Trade receivables are written off when there is no reasonable expectation of recovery. Failure to make payments within 180 days from the invoice date and failure to engage with the Company on alternative payment arrangement amongst other is considered indicators of no reasonable expectation of recovery. On the above basis the expected credit loss for trade receivables at 30 June 2024 and 30 June 2023 was determined as follows:

	Trade receivables past due					
30 June 2024	Current (not past due)	1 – 30 days past due	31 – 60 days past due	61 – 90 days past due	More than 90 days past due	Total
Expected credit loss rate	3.04%	3.79%	5.03%	8.54%	17.48%	3.51%
Gross carrying amount	1,030,898	180,416	43,669	7,206	23,611	1,285,800
Lifetime expected credit loss	31,382	6,833	2,196	615	4,127	45,153

	Trade receivables past due					
30 June 2023	Current (not past due)	1 – 30 days past due	31 – 60 days past due	61 – 90 days past due	More than 90 days past due	Total
Expected credit loss rate	3.13%	3.56%	5.30%	11.91%	-	3.42%
Gross carrying amount	725,436	115,776	81,109	4,343	-	926,664
Lifetime expected credit loss	22,742	4,119	4,296	517	-	31,674

Note 13: Inventories

	30 June 2024 $	30 June 2023 $
Raw materials – cost	117,835	390,439
Work in progress – cost	289,203	215,805
Finished goods - cost	239,958	465,920
Total	**646,996**	**1,072,164**

Inventories are valued at the lower of cost and net realisable value.
Costs incurred in bringing each product to its present location and condition is accounted for as follows:

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

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

Note 14: Property, Plant and Equipment

	Spectur platforms $	Leasehold improve-ments $	Plant and equipment $	Office equipment $	Motor Vehicles $	Total $
Balance at 1 July 2023	374,751	3,925	11,463	22,038	92,557	504,734
Additions	194,169	-	15,494	3,355	-	213,018
Disposals	(48,531)	-	-		-	(48,531)
Depreciation charge for the year	(225,853)	(898)	(12,956)	(8,633)	(33,634)	(281,974)
Balance at 30 June 2024	**294,536**	**3,027**	**14,001**	**16,760**	**58,923**	**387,247**
Balance at 1 July 2022	313,489	8,789	23,915	23,058	100,844	470,095
Additions	151,284	-	6,603	3,691	-	161,578
Acquired through business combinations	129,151	-	-	4,924	38,109	172,184
Disposals	(4,625)	-	-	-	-	(4,625)
Depreciation charge for the year	(214,548)	(4,864)	(19,055)	(9,635)	(46,396)	(294,498)
Balance at 30 June 2023	**374,751**	**3,925**	**11,463**	**22,038**	**92,557**	**504,734**

Plant and equipment
The carrying value of plant and equipment held under chattel mortgage contracts at 30 June 2024 is $nil (2023: $nil). There were no additions or disposals of plant and equipment held under chattel mortgage contracts in the current or previous financial year.

Note 15: Intangibles

	APNIC Addresses $	Software Development $	Other Intangibles $	Goodwill $	Total $
Carrying value at 1 July 2023	**143,360**	**82,107**	**12,640**	-	**238,107**
Impairment	(48,129)	-	-	-	(48,129)
Amortisation	-	(31,631)	(5,208)	-	(36,839)
Carrying value at 30 June 2024	**95,231**	**50,476**	**7,432**	-	**153,139**
Carrying value at 1 July 2022	-	-	96,112	-	96,112
Acquired through business combinations	143,360	84,388	-	435,225	662,973
Additions	-	8,299	-	-	8,299
Impairment	-	-	-	(435,225)	(435,225)
Amortisation	-	(10,580)	(83,472)	-	(94,052)
Carrying value at 30 June 2023	**143,360**	**82,107**	**12,640**	-	**238,107**

Note 16: Right-of-use Assets

	30 June 2024 $	30 June 2023 $
Land and buildings – right-of-use	886,126	834,704
Less: Accumulated depreciation	(155,998)	(25,084)
As at 30 June	**730,128**	**809,620**

Reconciliation

The Company leases land and buildings for its offices and warehouses under agreements of between two to three years with, in some cases, options to extend. The leases have various escalation clauses. These options have been exercised in the year ended 30 June 2024.

	30 June 2024 $	30 June 2023 $
As at 1 July	809,620	273,806
Additions	112,961	548,029
Acquired through business combinations	-	146,167
Depreciation expense	(192,453)	(158,382)
As at 30 June	**730,128**	**809,620**

Note 17: Trade and other payables

	30 June 2024 $	30 June 2023 $
Accounts payable [(i)]	538,230	350,849
Accruals	239,206	117,573
ATO & State Governments payables	235,140	217,037
Customer pre-payments	24,950	57,189
Total	**1,037,526**	**742,647**

[(i)] Trade payables are non-interest bearing and are normally settled on 30-day terms. Refer to Note 24 for further information on financial instruments.

Note 18: Employee benefits

	30 June 2024 $	30 June 2023 $
Current Liabilities[(i)]	**522,415**	**664,212**
Non-Current liabilities (long service leave)	**68,495**	**50,109**

[(i)] Includes long service leave liability of nil (2023: $63,908)

Current
Employee benefits expected to be settled within the next 12 months. The current provision for employee benefits includes all unconditional entitlements where employees have completed the required period of service and also where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the company does not have an unconditional right to defer settlement. However, based on past experience, the company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

Non-current
Employee benefits expected to be settled after 12 months.

Note 19: Borrowings and other financial liabilities

	30 June 2024 $	30 June 2023 $
Current loans		
Secured loans	9,187	6,374
Total current loans	**9,187**	**6,374**
Non-current loans		
Secured loans	55,326	74,587
Non-secured loans	-	650,000
Total non-current loans	**55,326**	**724,587**
Total loans	**64,513**	**730,961**

Secured Loans

These loans are secured by Motor Vehicles. The interest rates on these loans range from 3.40% to 9.85% and interest is repayable within a period of 28 months from the reporting date. Total monthly repayments are $886.

Non-Secured Loans

This was a $650,000 loan facility with EGP Capital. During the year ended 30 June 2023, an amount of $400,000 was drawn down in addition to the $700,000 balance as at 30 June 2023. In May 2023, a repayment of $450,000 was made. This resulted in a loan balance of $650,000 as noted above. Interest on this loan was 10% on the drawdown amount until December 2023, increasing to 13% from 1 January 2024. The facility was repayable by 31 December 2024, at the Company's option, either in cash or by issuing fully paid Spectur Limited ordinary shares. The number of shares to be issued would have been based on a 20% discount to the 30-day Volume Weighted Average Price (VWAP) of Spectur Limited shares as traded on the ASX. Spectur could have elected to convert a maximum of $250,000 of shares per quarter. The Company had effectively been granted a put option by EGP Capital, which created a derivative. The Company calculated this derivative to be an immaterial amount; therefore, the liability was stated at its face value at the prior year balance date.

In the year, the Company fully repaid the loan facility, leaving no outstanding balance as at 30 June 2024.

Note 20: Lease liabilities

	30 June 2024 $	30 June 2023 $
Current lease liabilities	141,329	154,498
Non-current lease liabilities	630,372	661,991
As at 30 June	**771,701**	**816,489**

Reconciliation

The Company leases land and buildings for its offices and warehouses under agreements of between two to three years with, in some cases, options to extend. The leases have various escalation clauses. These options have been exercised in the year ended 30 June 2024.

Note 20: Lease liabilities (Continued)

	30 June 2024 $	30 June 2023 $
As at 1 July	816,489	284,474
Lease inception	-	548,028
Acquired through business combinations	-	148,189
Lease adjustment	113,722	-
Principal repayments	(158,510)	(164,202)
Total	**771,701**	**816,489**

Refer Note 24 for further information on financial instruments.

Note 21: Provisions

	Warranties $	Equipment Rental $	Total current $
Balance as at 30 June 2023	55,163	77,537	**132,700**
Provided during the year	14,498	23,600	**38,098**
Utilised	(14,497)	(101)	**(14,598)**
Balance at 30 June 2024	**55,164**	**101,036**	**156,200**
Balance as at 30 June 2022	55,162	59,138	**114,300**
Provided during the year	100,265	89,963	**190,228**
Utilised	(100,264)	(71,564)	**(171,828)**
Balance at 30 June 2023	**55,163**	**77,537**	**132,700**

Note 22: Unearned Revenue

	30 June 2024 $	30 June 2023 $
Current Unearned Revenue	**1,200,939**	**727,388**
Non-Current Unearned Revenue (i)	**663,451**	**-**

(i) Non-current unearned revenue relates to long term contracts where performance obligations will be satisfied over more than 1 year.

Note 23: Dividends

The directors of the Company have not declared any dividend for the years ended 30 June 2024 and 2023.

Note 24: Financial Instruments

Capital risk management

The Company's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure and reduce the cost of capital.

The capital structure of the Company consists of cash and cash equivalents, borrowings and equity attributable to equity holders of the Company, comprising issued capital, reserves and retained earnings. Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax, dividends and general administrative outgoings. The Company would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment.

The capital risk management policy remains unchanged from the 30 June 2023 Annual Report.

Financial risk management objectives

The Company is exposed to:
(i) market risk (which includes foreign currency exchange risk, interest rate risk, share price risk and commodity price risk), (ii) credit risk and (iii) liquidity risk.

Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Company does not enter into or trade financial instruments, including derivative financial instruments.

Market risk

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

Foreign currency exchange risk management

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

The carrying amount of the Company's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars was $7,751.

Foreign currency sensitivity analysis

The sensitivity analyses below detail the Company's sensitivity to an increase/decrease in the Australian dollar against the New Zealand dollar. The sensitivity analysis includes only outstanding foreign currency denominated monetary items.

A 100-basis point is the sensitivity rate used when reporting foreign currency risk internally to management and represents management's assessment of the possible change in foreign exchange rates. At balance date, if foreign exchange rates had been 10 basis point higher or lower and all other variables were held constant, the Company's profit or loss and equity reserves would not have been affected materially.

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

Interest rate risk management

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

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

A 250 basis point increase or decrease is used when reporting interest rate risk internally to management and represents management's assessment of the change in interest rates.

At balance date, if interest rates had been 250 basis points higher or lower and all other variables were held constant, the Company's profit or loss and equity reserves would not have been affected materially.
The Company's sensitivity to interest rate risk has not changed significantly from the prior year.

Note 24: Financial Instruments(continued)

Credit risk management

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to credit risk from financial assets including cash and cash equivalents held at banks and trade and other receivables. The Company only transacts with entities that are rated the equivalent of investment grade and above. This information is supplied by independent rating agencies where available and, if not available, the Company uses publicly available financial information and its own trading record to rate its major customers.

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

Liquidity risk management

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

Non-derivative financial liabilities

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

30 June 2024	Weighted average interest rate %	1 year or less $	1-5 Years $	Total $
Financial Liabilities				
Trade and other payables		1,037,526	-	1,037,526
Lease liabilities	13.0%	239,657	898,810	1,138,467
Loans payable	4.5%	9,187	55,326	64,513
Total		**1,286,370**	**954,136**	**2,240,506**

30 June 2023	Weighted average interest rate %	1 year or less $	1-5 Years $	Total $
Financial Liabilities				
Trade and other payables		742,647	-	742,647
Lease liabilities	13.0%	219,805	715,144	934,949
Loans payable	4.5%	100,605	763,576	864,181
Total		**1,063,057**	**1,478,720**	**2,541,777**

Fair value measurement

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

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

Note 25: Contingent liabilities

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

Note 26: Share-based payments

a) Recognised Share-based Payment Expense

From time to time, the Company provides Incentive Options or Performance Rights to officers, employees, consultants and other key advisors as part of remuneration and incentive arrangements. The number of options / Performance Rights granted, and the terms of the options granted are determined by the Board. Shareholder approval is sought where required.

During the past two years, the following equity-settled share-based payments have been recognised:

	30 June 2024 $	30 June 2023 $
Value of expired performance rights written back	(148,796)	(8,361)
Value of performance rights brought to account during the period	350,888	381,275
Value of shares issued to staff and directors	-	102,574
Reassessment of vesting conditions of performance rights	(191,643)	-
Value of service rights brought to account during the period	93,000	54,250
Net share-based payment expense recognised in profit or loss	**103,449**	**529,738**

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

Options	Number	Grant date	Expiry date	Exercise price $	Fair value at balance date $	Vesting date $
Employee options	2,200,000	30 Jun 2021	30 Jun 2024	0.100	77,458	30 Jun 2021
Director options	2,100,000	30 Jun 2021	30 Jun 2024	0.130	90,832	29 Oct 2021
Lead Manager [(i)]	1,500,000	7 Sep 2023	7 Sep 2025	0.066	28,025	7 Sep 2023

[(i)] During the year ended 30 June 2024, an expense of $nil (2023: $28,025) was incurred for options issued.

Performance rights	Number	Grant date	Expiry date	Value at grant date $	Fair value at balance date $	Vesting date $
Director [1]	8,763,522	25 Nov 2022	30 Jun 2025	0.04	175,514	30 Jun 2024
Director [1]	16,770,045	23 Nov 2023	30 Jun 2026	0.02	32,020	30 Jun 2025
Employees	7,287,317	7 Oct 2022	30 Jun 2025	0.04	92,839	30 Jun 2024
Employees	2,651,805	14 Apr 2023	30 Jun 2025	0.04	53,110	30 Jun 2024
Employees	8,466,541	6 Oct 2023	30 Jun 2026	0.02	9,418	30 Jun 2025
Employees	11,569,886	6 Oct 2023	30 Jun 2026	0.02	22,943	30 Jun 2025

[1] Performance rights allocated to the Managing Director were approved at the Company's Annual General Meeting.

Long Term Incentives - Performance and service Rights
The Performance Rights detailed above have been allocated and/or issued to key management personnel and senior employees under the Scheme as long-term incentives.

The Performance Rights are issued for $nil cash consideration but will not vest unless the performance conditions set by the Board have been satisfied, with the final quantum to be determined on the vesting and measurement date of 30 June 2024. Refer to Section E of the Remuneration Report for the details of the performance conditions.

a) Recognised Share-based Payment Expense (continued)

Service rights	Number	Grant date	Expiry date	Value at grant date $	Fair value at balance date $	Vesting date $
Director [1]	6,000,000	25 Nov 2022	1 Dec 2024	0.031	186,000	1 Dec 2024
Company Secretary [1]	1,000,000	25 Nov 2022	1 Dec 2024	0.031	31,000	1 Dec 2024

[1] Subject to continuous service over the vesting period to 1 December 2024.

b) Summary of Options Granted as Share-based Payments

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

	30 June 2024		30 June 2023	
	Number	WAEP	Number	WAEP
Outstanding at beginning of year	8,050,000	$0.10	6,550,000	$0.100
Expired options	(2,250,000)	$0.12	-	-
Granted by the Company during the year	-	-	1,500,000	$0.019
Outstanding at end of year	**5,800,000**	**$0.10**	**8,050,000**	**$0.10**
Exercisable at the end of year	**5,800,000**	**$0.10**	**8,050,000**	**$0.10**

The value of the options granted during the year was included in share capital as a capital raising cost.

Note 27: Related party disclosures

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

Transactions with Key Management Personnel

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

	30 June 2024 $	30 June 2023 $
Short-term employee benefits	367,953	434,835
Post – employment benefits	57,029	48,414
Share-based payments	301,793	221,121
Total	**726,775**	**704,370**

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

Note 28: Interests in Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2 (w).

Name	Country of incorporation	30 June 2024 $	30 June 2023 $
Spectur New Zealand Limited	New Zealand	100%	100%
Three Crowns Technologies Pty Ltd	Australia	100%	100%
Spectur LLC	United States of America	100%	-

Note 29: Auditor's remuneration

The auditor of Spectur Limited is HLB Mann Judd.

	30 June 2024 $	30 June 2023 $
Audit and review of the financial statements	**67,000**	**57,500**

Note 30: Events after the reporting date

On 29 July 2024 Spectur raised $465,000 via the Placement of 23,250,000 fully paid ordinary shares from among its largest shareholders, being the shortfall from the May 2024 Entitlements Offer. The shares were issued at the same price as the Entitlement Offer shares, being 2.0c per Share with an additional attaching unlisted Option exercisable at 2.9c on or before 30th May 2025.

On 9 August 2024, the Company accelerated its R&D advance by utilising a short-term loan facility from Radium Capital, for $271,000. The R&D advance will be likely repaid in Q2 FY24, when the refund is anticipated to be received.

Other than the matters mentioned above. the Directors are not aware of any matter or circumstance that has arisen since 30 June 2024 which 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 future financial years.

Consolidated Entity Disclosure Statement

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Australian Tax Residency	Foreign Tax Residency
Spectur Limited (parent)	Body corporate	Australia	N/A	Yes	N/A
Spectur New Zealand Limited	Body corporate	New Zealand	100.00%	Yes	N/A
Three Crowns Technologies Pty Ltd	Body corporate	Australia	100.00%	Yes	N/A
Spectur LLC	Body corporate	United States of America	100.00%	Yes	United States of America

Spectur Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

DIRECTORS' DECLARATION

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

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

        i. giving a true and fair view of the Group's financial position at 30 June 2024 and of its performance for the year then ended in accordance with the accounting policies described in the notes to the financial statements; and

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

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

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

    d. The consolidated entity disclosure statement is true and correct.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2024.

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

Darren Cooper
Director
Dated this 30 August 2024

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INDEPENDENT AUDITOR'S REPORT
To the Members of Spectur Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Spectur Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the 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.

Key Audit Matters

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

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

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Key Audit Matter	How our audit addressed the key audit matter
Revenue and related risk of fraud Refer to Note 5	
The total revenue from operations for the year ended 30 June 2024 is $8,185,873, with revenue being predominantly generated through equipment sales and rentals and subscriptions. Due to the material nature of this balance and the presumption of fraud risk over revenue recognition as prescribed by Australian Auditing Standards, this area has been subject to significant audit procedures. As a result, we considered this to be a key audit matter.	Our procedures included but were not limited to the following: – We reviewed the Group's accounting policy regarding the recognition and/or deferral of revenue in line with AASB 15 *Revenue from Contracts with Customers*; – We reviewed the calculation of deferred revenue to ensure that it is correctly calculated and in accordance with AASB 15; – We selected a sample of revenue transactions and agreed the transactions to underlying supporting documentation; – We performed audit procedures to ensure that revenue is materially complete, including procedures surrounding cut-off at balance date; and – We assessed the adequacy of the Group's disclosures in respect of revenue and deferred revenue.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024 but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and

(b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal control as the directors determine is necessary to enable the preparation of:

(a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

(b) the consolidated entity disclosure statement that is true and correct 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 have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

– Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
– Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
– Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
– Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the Directors' Report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Spectur Limited for the year ended 30 June 2024 complies with Section 300A of the *Corporations Act 2001*.

Responsibilities

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

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
30 August 2024

L Di Giallonardo
Partner

ADDITIONAL SHAREHOLDER INFORMATION

SHAREHOLDING
The distribution of members and their holdings of equity securities in the Company as at 22 August 2024 were as follows:

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

Category (Size of holding)	Fully Paid Ordinary Shares Shareholders	Shares
1 – 1,000	43	7,522
1,001 – 5,000	58	177,945
5,001 – 10,000	97	782,574
10,001 – 100,000	403	17,150,344
100,001 and over	265	272,629,886
Total	**866**	290,748,271

There are 866 holders of ordinary shares.

b) Marketable parcel
Based on the price per security of $0.02, the number of holders with an unmarketable holding total 320, with total shares of 3,013,325, amounting to 1.04% of Issued Capital

c) Voting rights – Ordinary Shares
Every person present, who is a member, or a proxy, attorney or representative of a member has one vote upon a poll for each share held.

d) Substantial Shareholders
Substantial shareholders listed on the Company's register as at 22 August 2024.

Position	Holder Name	Holding	% IC
1	APPWAM PTY LTD	41,357,896	14.22%
2	JOMAHO INVESTMENTS PTY LTD	22,524,644	7.75%

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

SHAREHOLDER INFORMATION (continued)

f) Twenty Largest Shareholders
The names of the twenty largest holders of each class of quoted equity security, being fully paid ordinary shares, the number of equity security each holds and the percentage of capital each hold at 22 August 2024 is as follows:

Position	Holder Name	Holding	% Held
1	APPWAM PTY LTD	41,357,896	14.22%
2	JOMAHO INVESTMENTS PTY LTD	22,524,644	7.75%
3	SANDHURST TRUSTEES LTD <EQUIT INV DRAGONFLY A/C>	9,462,424	3.25%
4	COASTALWATCH HOLDINGS PTY LTD	8,048,678	2.77%
5	MR DARREN JOHN COOPER	6,867,880	2.36%
6	S & K HODGES INVESTMENTS PTY LTD <S & K HODGES RETIREMENT A/C>	5,806,353	2.00%
7	MR PETER JOHN FERRIS	5,800,000	1.99%
8	NATIONAL NOMINEES LIMITED	5,200,000	1.79%
9	PUTNEY BRIDGE INVESTMENTS PTY LTD <CHRIS & JULIA TITLEY S/F A/C>	5,000,000	1.72%
10	MR GEORGE LIONTOS & MRS CRISTINA LIONTOS <FRANCIS ALEXANDRA S/F A/C>	4,600,000	1.58%
11	FRY SUPER PTY LTD <INXS SUPER FUND A/C>	4,200,000	1.44%
12	GERARD JOHN DYSON	4,082,954	1.40%
13	ANNEIS PTY LTD <AVLISAD A/C>	3,750,000	1.29%
14	MR DUMINDA SUDATH AMARAKOON & MRS GERALDINE GEETHANI ROSHINI AMARAKOON <DURO SUPERFUND A/C>	3,650,000	1.26%
15	BENJAMIN YOUNG	3,434,304	1.18%
16	SONDANCE PTY LTD <JOLPET A/C>	2,777,778	0.96%
17	SI CORPORATION PTY LTD <SANTO CARLINI DT A/C>	2,750,000	0.95%
18	MR MARK DAMION KAWECKI	2,700,361	0.93%
19	MR ALISTAIR CHARLES JACKSON	2,500,000	0.86%
20	EMERALD SHARES PTY LIMITED <EMERALD UNIT A/C>	2,487,196	0.86%
	Total	**147,000,468**	**50.56%**

Unquoted Securities	Number of Securities	Number of Holders	Holders with more than 20%
Options (Exercisable at $0.066, expiring 7 Sept 2024)	41,839,035	146	Nil
Options (Exercisable at $0.066, expiring 7 Sept 2024)	1,500,000	1	100% of these Options are held by Reach Markets Pty Ltd.
Options (Exercisable at $0.029, expiring 30 May 2025)	58,827,375	97	Jomaho Investments Pty Ltd holds 14,475,903 options, being 24.6% of the class of options on issue.
Performance Rights	52,857,310	6	Gerard Dyson (or his nominee) holds 25,533,567 Performance Rights which is equal to 48.3% of the Performance Rights on issue.
Service Rights	7,000,000	2	Gerard Dyson (or his nominee) holds 6,000,000 Service Rights which is equal to 85.7% of the Service Rights on issue. Suzie Foreman (or her nominee) holds 1,000,000, which is equal to 14.3% of the Service Rights on issue.

Voting rights
Unquoted options or performance rights do not entitle the holder to any voting rights.

OTHER ASX INFORMATION

1. Corporate Governance
A statement disclosing the extent to which the Company has followed the best practice recommendations set by the ASX Corporate Governance Council during the year is contained in Appendix 4G.

This corporate governance statement lodged on the same day as the Annual Report is current as at the Company's reporting date and has been approved by the Board of the Company.

2. Stock exchange on which the Company's securities are quoted:
The Company's listed equity securities are quoted on the Australian Securities Exchange.

3. Restricted Securities
There are no restricted securities on issue.