adisyn

Adisyn Ltd (ASX: AI1)
ABN 30 155 473 304

ANNUAL REPORT
FOR THE YEAR ENDED
30 JUNE 2024

Dear Shareholders,

As we reflect on the 2023/24 fiscal year, it is clear that this has been a period of significant transformation for Adisyn. Over the past twelve months, we have undergone a comprehensive rebranding and redefined our approach to business, embracing a new name and a refreshed strategic vision.

The journey of change has been marked by several positive developments. We have successfully implemented cost-saving measures, divested non-core assets, and shifted our focus from traditional infrastructure to a more agile, opportunity-driven model. This strategic pivot is designed to align with the rapidly evolving landscape of technology and the dynamic nature of today's market.

Our commitment to innovation is exemplified by our strategic investment in the defence sector and the establishment of our own Defence Strategic Advisory Board. This innovation positions us to effectively leverage the substantial financial investments being made in this sector. Additionally, we are advancing our involvement in artificial intelligence, both in software and hardware, to capitalise on the opportunities presented by this transformative field.

Transitioning to this new focus has required considerable effort and investment from our board. While the shift has been challenging, it is both necessary and prudent to adapt in order to enhance shareholder value. Remaining static in a time of such rapid change would have been irresponsible.

Looking forward, we are enthusiastic about the future. Our next chapter will emphasise agility and flexibility, with a strong focus on generating shareholder value through advancements in AI, defence contracts, and an expanded presence in the technology sector.

Thank you for your continued support and trust as we navigate this exciting new phase in our company's journey.

Yours Sincerely

Shane Wee

Chairman

Adisyn Ltd and its controlled entities

ABN 30 155 473 304

Annual Report - 30 June 2024

Directors	Shane Wee (Non-Executive Chairman) Blake Burton (Managing Director) Justin Thomas (Non-Executive Director)
Company secretary	Kyla Garic
Registered office/ **Principal place of business**	27 Aspiration Circuit Bibra Lake WA 6163
Telephone: Email: Website:	+1300 331 888 investors@adisyn.com.au www.adisyn.com.au
Share register	Xcend Pty Ltd Level 2, 477 Pitt Street Haymarket NSW 2000
Auditor	Hall Chadwick WA Audit Pty Ltd 283, Rokeby Road Subiaco WA 6008
Solicitors	Nova Legal 50 Kings Park Road Perth WA 6005
Stock exchange listing	Adisyn Ltd shares are listed on the Australian Securities Exchange (ASX code: **AI1**)

General information

The financial statements cover Adisyn Ltd as a Group consisting of Adisyn Ltd and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Adisyn Ltd's functional and presentation currency.

Adisyn Ltd is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Registered office/Principal place of business

27 Aspiration Circuit
Bibra Lake WA 6163

A description of the nature of the Group's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 September 2024.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Adisyn Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2024.

1. Directors

The following persons were directors of Adisyn Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Name	Position	Appointment date	Resignation date
Shane Wee	Non-Executive Chairman	31 August 2021	-
Blake Burton	Managing Director	1 July 2022	-
Justin Thomas	Non-Executive Director	9 July 2024	-
	Executive Director	2 February 2012	9 July 2024
	Chief Technology Officer	1 July 2022	9 July 2024

Information on directors

Name:	**Shane Wee**
Title:	Non-Executive Chairman
Experience and expertise:	Mr Wee retired as a founding director of Alto Capital after 28 years in the financial services industry in July 2021 to take on the role of CEO of The Magic Coat for Kids and other opportunities. Over the years, he has built close relationships with a number of business leaders in Perth's business community. His focus has always been on building long term relationships with strategic partners and continuously value add to his local network and contacts throughout South-East Asia.
Other current directorships:	-
Former directorships (last 3 years):	My Foodie Box Limited (ASX:MBX) resigned 17 November 2022
Interests in shares:	2,525,000 fully paid ordinary shares
Interests in options:	1,000,000 unlisted options, exercisable at $0.60 per option, expiring 20 December 2025
Interests in rights:	-

Name:	**Blake Burton**
Title:	Managing Director
Qualifications:	BCom (Accounting and Corporate Finance)
Experience and expertise:	Mr Burton possesses extensive experience in the IT industry. He was co-founder of web hosting company, Netorigin in 2011. Mr Burton grew Netorigin from inception and took the Company to successful trade sale in 2019 to Australia's largest privately owned web host VentraIP. At completion of the sale to Netorigin Mr Burton focused on Attained Group. Mr Burton has previously worked as an auditor at PwC, which included working with a number of ASX listed and international companies.
Other current directorships:	-
Former directorships (last 3 years):	-
Interests in shares:	2,504,846 fully paid ordinary shares 13,911,182 fully paid ordinary shares, escrowed until 31 March 2025
Interests in options:	1,000,000 unlisted options, exercisable at $0.25 per option, expiring 6 November 2024
Interests in rights:	5,000,000 performance rights

Name:	**Justin Thomas**
Title:	Non-Executive Director (appointed: 9 July 2024) Executive Director and Chief Technology Officer (resigned: 9 July 2024)
Experience and expertise:	Mr Thomas is a solutions-oriented professional IT developer that excels in identification, development, management and commercialisation of projects with broad reaching team collaboration, interfacing with clients and deployment of technology to ensure successful solutions for clients. During his career, Mr Thomas has successfully managed large project teams of over 15 people. From the initial need's identification and requirement analysis through to implementation, Mr Thomas has supported the processes to commercialisation by remaining deeply involved and always with a hands-on approach. He was also the Lead Project Manager who successfully compiled and sourced the commercial, technical and planning information, including identifying suitable consultants needed, to undertake both the HPC Data Centres Henderson facility build as well as Global Networks Australia International Cable and Data Centre project located in Australia and Indonesia. A previous business venture of Justin's saw the successful development of an industry specific niche software application for the real estate/property industry which grew to over 300 monthly subscription clients and the business sold for over $1 million in 2007.
Other current directorships:	-
Former directorships (last 3 years):	-
Interests in shares:	14,578,396 fully paid ordinary shares
Interests in options:	-
Interests in rights:	-

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

2. Company secretary

Name	**Kyla Garic**
Qualifications	*B Com, MAcc, CA, FGIA, FGIS*
Experiences	Ms Garic is a Chartered Accountant and Director of Onyx Corporate. Onyx Corporate provides financial reporting, accounting, company secretarial and other services primarily to ASX listed companies. Ms Garic acts as Company Secretary for a number of ASX listed companies.

3. Meetings of directors

The number of meetings of the Company's Board of Directors ('the Board') held during the year ended 30 June 2024, and the number of meetings attended by each director were:

	Board Meeting	
	Eligible to Attend	**Attended**
Shane Wee	11	10
Blake Burton	11	11
Justin Thomas	11	10

The Board also approved fourteen (14) circular resolutions during the year ended 30 June 2024 which were signed by all eligible Directors of the Company.

3. Principal activities

The Group is a provider of managed technology services and solutions and aims to be the preferred sovereign provider for SMEs in the Australian defence industry supply chain. The Group's offerings include a range of solutions tailored to this growing market segment, leveraging internal capabilities and strategic partnerships, particularly in cybersecurity and AI.

The Group has a dual track strategy of focusing on AI enablement and advanced data centre and cyber security solutions, focusing on opportunities that cutting edge AI hardware and software offer to the future of data centres and cyber security.

Refer to **Section 5**. Significant changes in the state of affairs for the recent changes.

4. Operating and financial review

The loss for the Group after providing for income tax amounted to $1,698,495 (30 June 2023: $1,740,563).

Review of Results

During the period, the name of the group changed to Adisyn Ltd (ASX: AI1) to provide a new corporate identity as the Group moves away from being a provider predominately focused on data centre and cloud services.

Under the Group's new strategy, Adisyn has concentrated its attention on providing managed technology services and solutions and aims to be the preferred sovereign provider for SMEs in the Australian defence industry supply chain. The Group continues to develop solutions focused on cybersecurity and AI and is confident that these two verticals will provide strong growth avenues moving forward as the data centre and cloud markets evolve.

The Group has continued working on integrating various functions between its business divisions, consolidating several suppliers and terminating duplicate services as the Group moves towards a capital-lite model, providing scalable, service-based solutions. As part of this strategy, on 1 May 2024 the Group announced the sale of its VMware Cloud Platform to Zettagrid Pty Ltd for up to $1.4m in cash consideration. Under the terms of the agreement, the Group will continue to offer cloud services to new customers and will white-label Zettagrid's Australian cloud services as part of its service offering, allowing Adisyn to focus on providing scalable, service-based solutions while substantially decreasing the Company's requirement for significant capital expenditure. Key terms for the sale were outlined in the announcement on 1 May 2024.

On 19 February 2024, the Group announced the appointment of Mr. Harry Karelis as a strategic advisor and chair of the Groups newly formed industry advisory board (IAB). The experience and depth of the IAB was expanded significantly with the appointments of Mr. Oscar Leslie, Mr Jesse Gane and Dr Craig Valli on 16 May 2024. The IAB serves to expand Adisyn's profile, networks and service capabilities in a cost-effective manner. The appointments also provide the Group with personnel holding national security clearances, potentially opening new opportunities and further differentiating Adisyn from other managed IT services companies in the marketplace.

As announced on 12 October 2023, the Group terminated the sale agreement with DComm for the sale of the Group's DC Modular assets. During the year, the Group has worked to streamline the operations of the DC Modular business to create a separate operational division within the Group under the banner 'Miner Hosting Australia'. The Group continues to explore options for a sale of the division and is also exploring strategic partnerships utilising the Group owned intellectual property built within the division.

As disclosed in the financial statements, the Group incurred a loss of $1,698,495 (30 June 2023: $1,740,563) and had net cash outflows from operating of $749,391 (30 June 2023: $1,039,479) and investing activities inflows of $801,221 (30 June 2023: $305,208) respectively for the year ended 30 June 2023. As at that date, the Group had net assets of $2,073,472 (30 June 2023: $2,483,861). The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising additional capital from equity markets and managing cash flows in line with available funds.

The Group confirms that during the financial year ended 30 June 2024, it used its cash and assets in a form readily convertible to cash, in a manner consistent with its business objectives.

5. Significant changes in the state of affairs

On 27 February 2023, the Group announced to the market it had entered into an agreement to dispose of its Modular Business to D Comm Infrastructure Pty Ltd, a subsidiary of D Comm Ventures Pty Ltd, a leading Web 3.0 technology company (D Comm) for a total consideration of $3m in cash. On 8 June 2023, the Group announced to the market that the agreement achieved satisfaction of buyer's due diligence but remained subject to the satisfaction of the remaining conditions precedent. On 31 July 2023 the Group announced to the market that the Group provided DComm with continued exclusivity and an extension to the completion date. In exchange for the continued exclusivity and completion date extension the total non-refundable deposit increased from $20,000 to $100,000. On 12 October 2023, the Group announced to the market that it provided DComm with notice terminating the sale agreement on the basis that the remaining conditions precedent to completion have not been satisfied in a reasonable timeframe.

On 23 October 2023, the Group announced to the market that, following shareholder approval obtained at the shareholder meeting held on 10 October 2023, the name of the Group changed to Adisyn Ltd, with trading under the new name and ticket code “AI1” commencing from 24 October 2023.

On 26 October 2023, the Group announced that it had restricted ~$736k of deferred consideration to unrelated parties from the acquisition of Attained. As part of the agreement, the Company agreed to issue up to 8,831,950 shares at a deemed issued price of $0.02 per share to Esidium Group and Aviso IT to offset $176,639 of cash consideration, with the remaining cash consideration deemed a loan payable over twelve to twenty-four months.

On 1 May 2024, the Company signed a binding agreement with Zettagrid Pty Ltd to dispose of its VMware cloud platform for a total consideration of up to $1.4 million in cash.

Subject to completion of the transaction, the Company will receive cash consideration of up to $1.4 million in cash (before costs and adjustments), which will be payable into 2 tranches:
- The first tranche of $850,000 will be payable on the settlement date 1 May 2024.
- The second tranche will be payable 9 months from the Settlement Date (**Completion Date - estimated to be 28th February 2025**) and is subject to various adjustments determined by the annualised revenue of the VMware Customers at the Completion Date.

Reconciliation of the Annual Report to the Appendix 4E

In the process of preparing the financial statements a variance to the **“Loss after income tax for the year”** between the financial statements and the previously lodged Appendix 4E of $118,268 (reduction of loss) was identified. The variance is specified below:

Reported **Loss after income tax for the year** in Appendix 4E:

Reported **Loss after income tax for the year** in Appendix 4E	(1,442,629)
Share-based payment expense	88,928
Amortisation of customer contracts	(281,039)
Amortisation of intellectual property	(20,890)
Reversal of annual leave expense	95,677
Miscellaneous	(944)
Reported **Loss after income tax for the year in** Financial Statements	(1,560,897)

There were no other significant changes in the state of affairs of the Group during the financial year.

6. Business risks
The Groups risk management framework assesses the key financial and non-financial risks that have the potential, should they occur, to materially impact the Group and its ability to achieve its strategic and operational objectives.

The framework is integrated into the daily management of the business to ensure the oversight and management of business risks, with systems and processes implemented to identify risks at an early stage. Further details of the risk management framework and processes are detailed in the Group's Corporate Governance Statement.

Listed below are key risks for the business identified in the risk management framework:

Key Customer Relationships
The growth of the Group depends in part on increasing the number of its customers, and the number of services offered to those customers. There is a risk that one or more key customers may terminate their contracts early or that, upon expiration of their existing contracts, they may choose not to renew arrangements with Adisyn or that the subsequent terms may be less favourable to Adisyn.

Financial Performance
The Group requires sufficient cash to guarantee the continuation of its strategic initiatives. The Group may encounter challenges in implementing its strategy along with potential difficulties such as liquidity or financial deficits, from any failings in the planning and implementation of its capital management. Adequate funding is essential for the Group to continue to invest in its products and innovate in the coming years. Failure to secure necessary funding could force the Company to limit operations, materially impacting its activities and challenging continued operation.

Technological Developments
The Group operates in a competitive industry. Failure to adapt to the latest technological changes in a timely manner could result in reduced customer demand for the products and services which the Group develops. This in turn could result in customer churn, and/or a reduction in revenues and margins.

Cyber Security
Potential cyber incidents resulting in the Groups data being compromised could negatively impact the operations of the Group and its reputation.

Infrastructure Downtime
A catastrophic failure or interruption of either the Groups or suppliers cloud platform or data centre could result in the Group not being able to provide access to critical systems for customers. This would lead to the Group being in breach of its service level agreements with customers and the Group would incur contractual liabilities.

Ability to source and retain key personnel
The Company employs or engages as consultants, a number of key members of its team. Attracting and retaining talent underpins the groups successful delivery of strategic objectives. A shortage in labour and the inability to attract qualified personnel could adversely affect the Group and may impede on its ability to achieve its strategic objectives.

7. Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

8. Matters subsequent to the end of the financial year
Board and Management changes:

- Mr. Thomas resigned from his executive role effective from 9 July 2024. Mr. Thomas remains on the Board in a Non-Executive Director capacity and will receive an annual salary of $36,000 plus superannuation.
- Mr. Sentow became a permanent part-time Chief Financial Officer (**CFO**) effective from 9 July 2024.
- Mr. Gale resigned from his position as Chief Information Officer (**CIO**) effective 31 July 2024.
- Mr. Gane appointed as Chief Technology Officer (**CTO**) effective from 19 August 2024.

On 8 July 2024, the Company appointed Sandton Capital Advisory to advise and assist the Board on the strategic review outcomes including execution of the key findings and will be paid a fee of $7,500 per month over a 12-month term.

On 12 July 2024, the Company entered into a binding collaboration agreement with 2D Generation Ltd, a prominent international semiconductor IP business incorporated in Israel to generate transformational opportunities in the AI space, leveraging Adisyn's expertise in data centre management, managed IT services, and cybersecurity, alongside 2D Generations' industry-leading capabilities in developing next-generation AI semiconductor solutions.

On 4 September 2024, the Company signed a surrender of lease agreement of its Bibra Lake lease to exit from the lease on 18 October 2024. The Company will undertake the decommissioning and sale of plant and equipment at the Bibra Lake site, the cost of which it expects will be offset by proceeds of sales of the decommissioned plant and equipment.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

9. Likely developments and expected results of operations

Information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

10. Environmental regulation

Adisyn's operations are not subject to any particular or significant environmental regulation under a law of the Commonwealth or of a State or Territory in Australia. The Group confirms that during the year it has not breached any state, territory or federal environmental regulations.

11. Shares under option

Unissued ordinary shares of Adisyn Ltd under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
15/09/2020	06/11/2024	$0.25	1,200,000
15/09/2020	10/11/2024	$0.25	2,950,000
20/12/2021	20/12/2025	$0.60	1,000,000
30/11/2022	30/11/2024	$0.11	2,562,500
14/05/2024	28/06/2025	$0.05	5,000,000
			12,712,500

All unissued shares are ordinary shares of the Company. All options expire on the earlier of their expiry or termination of the employee's employment.

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

Shares issued on the exercise of options

There were no ordinary shares of Adisyn Ltd issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

12. Shares under performance rights
Unissued ordinary shares of Adisyn Ltd under performance rights at the date of this report are as follows:

Grant date	Expiry date	Number under rights
08/03/2023	31/12/2025	1,000,000
08/03/2023	31/12/2025	1,000,000
05/07/2023	01/07/2026	750,000
05/07/2023	01/07/2026	750,000
30/11/2023	31/12/2025	5,000,000
14/05/2024	01/08/2025	5,000,000
		13,500,000

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

Shares issued on the exercise of performance rights
There were no ordinary shares of Adisyn Ltd issued on the exercise of performance rights during the year ended 30 June 2024 and up to the date of this report.

13. Convertible Notes
In May 2024 246,250 convertible notes were converted to fully paid ordinary shares 4,925,000 on redemption of outstanding Tranche 1 Convertible Notes at a price of $0.05.During the year 1,096,770 fully paid ordinary shares in settlement of interest payable on Tranche 1 Convertible notes were also issued. No options were issued. At the end of the annual reporting period all convertible notes were redeemed and there are nil securities remaining to be issued. Further information contained in **Note 23** of the financial report.

Additional information
The earnings of the Group for the two years to 30 June 2024 are summarised below:

	2024 $	2023 $
Sales revenue from continuing operations	5,495,434	2,675,217
EBITDA from continuing operations	(87,537)	(1,398,642)
EBIT from continuing operations	(1,427,677)	(2,216,244)
Loss after income tax from continuing operations	(1,427,677)	(2,216,244)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2024	2023
Share price at financial year end ($)	0.02	0.02
Total dividends declared (cents per share)	-	-
Basic earnings per share (cents per share)	(1.42)	(2.19)
Diluted earnings per share (cents per share)	(1.42)	(2.19)

14. Indemnification of Officers and Auditors
The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

15. Non-audit services
There was no non-audit services provided during the financial year by the auditor.

16. Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to 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 part of those proceedings.

17. Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* has been received and set out immediately after this Directors' report.

18. Rounding off

The Group is of a kind referred to in *ASIC Corporations* (Rounding in Financial/Directors' Reports) *Instrument 2016/191* and in accordance with that Instrument, amounts in the consolidated financial statements and director's report have been rounded off to nearest dollars, unless otherwise stated.

19. Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Adisyn Limited, in accordance with the requirements of the *Corporations Act 2001* and the *Corporation Regulations 2001*. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all directors.

Key management personnel of Adisyn Limited for the financial year consist of:

- Blake Burton (Managing Director)
- Justin Thomas
  (Non-Executive Director, appointed 9 July 2024)
  (Executive Director, resigned 9 July 2024)
- Jesper Sentow (Chief Financial Officer, appointed 16 June 2023)
- Paul Arch (Chief Operating Officer, appointed 14 March 2023)

The remuneration report is set out under the following main headings:
- **19.1 Principles used to determine the nature and amount of remuneration**
- **19.2 Service agreements**
- **19.3 Details of remuneration**
- Additional information
- **19.4 Additional disclosures relating to key management personnel**

19.1 Principles used to determine the nature and amount of remuneration
The Board reviews and approves the remuneration policy to enable the Group to attract and retain executives and Directors who will create value for Shareholders having consideration to the amount considered to be commensurate for a Group of its size and level of activity as well as the relevant Directors' time, commitment and responsibility. The Board is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Fixed remuneration consists of base remuneration, as well as employer contributions to superannuation funds where applicable.

The remuneration of an executive Director will be decided by the Board, without the affected executive Director participating in that decision- making process.

The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Group of the respective contributions by each non- executive Director. The current amount has been set at an amount not to exceed $400,000 per annum.

Options may be granted as determined by the Board and with the approval of shareholders as applicable. An Employee Securities Incentive Plan is in operation having been approved by shareholders at the Company's General Meeting of 25 August 2021.

Where agreed by the Board, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

Voting and comments made at the Company's 30 November 2023 Annual General Meeting ('AGM')
At the 30 November 2023 AGM, 99.94% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

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

Name:	**Blake Burton**
Title:	Managing Director
Agreement commenced:	6 October 2021
Term of agreement:	Indefinite term until termination
Details:	Base salary of $210,000 (exclusive of superannuation) from 1 April 2023. Bonus as determined by the Board from time to time (cash, shares, options, performance rights or other securities) with due consideration of share price performance relative to peers.

Name:	**Justin Thomas**
Title:	Executive Director and Chief Technology Officer (resigned 9 July 2024)
Agreement commenced:	2 February 2012 to 9 July 2024
Term of agreement:	Indefinite term until terminated
Details:	Base salary of $160,000 (exclusive of superannuation). Bonus as determined by the Board from time to time (cash, shares, options, performance rights or other securities) with due consideration of share price performance relative to peers.

Name:	**Paul Arch**
Title:	Chief Operating Officer
Agreement commenced:	14 March 2023
Term of agreement:	Indefinite term until terminated Termination not less than 3 months' written notice
Details:	Base salary of $165,000 (exclusive of superannuation) and $5,000 motor vehicle allowance p.a. Bonus as determined by the Board from time to time (cash, shares, options, performance rights or other securities) with due consideration of share price performance relative to peers.

Name:	**Jesper Sentow**
Title:	Chief Financial Officer from 9 July 2024 Interim Chief Financial Officer (from 16 June 2023 to 9 July 2024)
Agreement commenced:	16 June 2023
Term of agreement:	The engagement will automatically terminate at expiry of the agreed term and can be terminated by either party by giving no less than 4 weeks' notice
Details:	The Company entered into an engagement letter with Sommersted Enterprise Pty Ltd in which Mr Sentow will provide various financial and other corporate consulting services. Fees will be charged at a rate of $1,200 per day (exclusive of GST). Adisyn will reimburse Sommersted Enterprise for all reasonable out-of-pocket expenses properly incurred in performing this engagement.

Name:	**Liam Gale**
Title:	Chief Information Officer (resigned 31 July 2024)
Agreement commenced:	14 March 2023 to 31 July 2024
Term of agreement:	Indefinite term until terminated Termination not less than 3 months' written notice
Details:	Base salary of $165,000 (exclusive of superannuation). Bonus as determined by the Board from time to time (cash, shares, options, performance rights or other securities) with due consideration of share price performance relative to peers.

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

19.3 Details of remuneration

Amounts of remuneration

Details of the remuneration of key management personnel of the Group are set out in the following tables.

30 June 2024	Short-term benefits Cash salary and fees $	Annual leave provision $	Post-employment benefits Super-annuation $	Long-term benefits Other Long Term Benefit $	Share-based payments Equity-settled options $	Total $
Non-Executive Directors:						
Shane Wee	65,576	-	7,213	-	100,000[1]	172,789
Executive Directors:						
Blake Burton	213,500	1,864	21,065	-	12,868	249,297
Justin Thomas	163,711	(86,232)	14,646	-	-	92,125
Other Key Management Personnel:						
Paul Arch	173,174	4,638	16,389	-	9,102	203,303
Liam Gale	167,870	(85)	15,924	-	7,693	191,402
Jesper Sentow[2]	-	-	-	-	30,000	30,000
	783,831	(79,815)	75,237	-	159,663	938,916

(1) The share-based payment pertains to shares yet to be issued and remains as payable as at 30 June 2024.
(2) Sommersted Enterprises Pty Ltd, of which Jesper Sentow is a director, received $141,150 plus GST (30 June 2023: $9,600) and $30,000 in shares during the year for the CFO services. This transaction was disclosed in **19.4**.

30 June 2023	Short-term benefits Cash salary and fees $	Annual leave provision $	Post-employment benefits Super-annuation $	Long-term benefits Other Long Term Benefit $	Share-based payments Equity-settled options $	Total $
Non-Executive Directors:						
Shane Wee[1]	43,636	-	4,582	-	15,897	64,115
Executive Directors:						
Blake Burton	171,538	642	17,046	3,900	-	193,126
Justin Thomas	174,088	(6,675)	15,149	3,111	-	185,673
Other Key Management Personnel:						
Michael Travis[2]	63,467	(993)	6,583	1,100	-	70,157
James Mercer[3]	101,968	(3,728)	10,694	936	-	109,870
Jesper Sentow[5]	9,600	-	-	-	-	9,600
Bradley Goodsell[6]	118,505	3,649	10,607	1,996	-	134,757
Paul Arch[4]	49,038	4,064	4,923	882	-	58,907
Liam Gale[4]	47,596	4,064	4,356	882	-	56,898
	779,436	1,023	73,940	12,807	15,897	883,103

(1) 1,000,000 unlisted options exercisable at $0.60 per option, expiring 20 December 2025. 50% of the options were vested and exercisable on the 1 January 2022 and the remaining 50% of the options will vest and become exercisable on the 1 January 2023
(2) Balance at resignation date 15 March 2023
(3) Ceased as KMP on 14 March 2023
(4) Balance at appointment date 14 March 2023
(5) Balance at appointment date 16 June 2023. Sommersted Enterprises Pty Ltd, of which Jesper Sentow is a director, received $9,600 during the year for the CFO services. This transaction was disclosed in **19.4**.
(6) Balance at resignation date 16 June 2023

19.4 Additional disclosures relating to key management personnel
19.4.1 Shareholding
The number of shares in the Company held during the financial year ended 30 June 2024by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Other - changes	Balance at the end of the year
Directors					
Shane Wee	718,341	-	-	1,806,659	2,525,000
Blake Burton	15,133,977	-	-	-	15,133,977
Justin Thomas	14,578,396	-	-	-	14,578,396
Key Management Personnel	-	-	-	-	-
Liam Gale	1,340,365	-	-	1,494,300	2,834,665
Paul Arch	2,572,957	-	-	12,337,650	14,910,607
Jesper Sentow	-	1,500,000	-	-	1,500,000
	34,344,036	1,500,000	-	15,638,609	51,482,645

19.4.2 Option holding
The number of options over ordinary shares in the Company held during the financial year ended 30 June 2024 by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Directors					
Shane Wee	2,466,666	-	-	(1,466,666)	1,000,000
Blake Burton	1,166,666	-	-	(166,666)	1,000,000
Justin Thomas	-	-	-	-	-
Key Management Personnel	-	-	-	-	-
Liam Gale	-	-	-	-	-
Paul Arch	-	-	-	-	-
	3,633,332	-	-	(1,633,332)	2,000,000

19.4.3 Performance rights holding
The number of performance rights over ordinary shares in the Company held during the financial year by each director and other members of key management personnel of the Group, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Blake Burton	-	5,000,000	-	-	5,000,000
Liam Gale	2,000,000	-	-	-	2,000,000
Paul Arch	2,000,000	-	-	-	2,000,000
	4,000,000	5,000,000	-	-	9,000,000

On 30 November 2023, the 5,000,000 performance rights were granted to Blake Burton, the valuation model inputs used to determine the fair value at the grant date, are as follows:

	Tranche 1 Performance Rights	Tranche 2 Performance Rights
Recipient	**Blake Burton**	**Blake Burton**
Methodology	Monte-Carlo	Black-Scholes
Iterations	100,000	N/A
Grant date	30 November 2023	30 November 2023
Vesting date	30 September 2025	30 September 2025
Expiry date	31 December 2025	31 December 2025
Spot price	$0.023	$0.023
Exercise price	Nil	Nil
Risk-free rate	4.021%	4.021%
Volatility	92.13%	92.13%
Dividend Yield	Nil	Nil
Number	3,000,000	2,000,000
Value per PR	$0.0076	$0.023
Total fair value	$22,665	$46,000
Total share-based payment recognised at 30 June 2024	$4,248	$8,621

The value of rights granted in the year is the fair value of the rights calculated at the grant date. The total value of the rights granted included in remuneration report over the vesting period.

There have been no other transactions involving equity instruments apart from those described in the tables above relating to shareholdings, options and performance rights.

19.5 Loans from key management personnel and their related parties

	30 June 2024 $	30 June 2023 $
Current loan		
Blake Burton[1]	118,439	205,487
Blake Burton[2]	181,000	-
Justin Thomas[2]	120,000	-
Shane Wee[2]	60,000	-
	479,439	205,487
Non-current loans		
Blake Burton[1]	53,836	181,000
Justin Thomas	-	120,000
Shane Wee	-	60,000
	533,275	566,487

[1]The Company has entered into a short-term loan agreement with its Managing Director, Mr Blake Burton on 27 February 2023 and amended on 15 December 2023. Under the Agreement. Mr Burton has agreed to advance the Company $200,000 with a further $50,000 standby credit available that may be drawn down if required by the Company. The Loan Agreement is repayable by 31 December 2025 or may otherwise be converted into shares in the Company, subject to shareholder approval. The Loan Agreement accrues interest at a rate of 10% p.a.

[2]The amount due to related parties are non-trade, unsecured, interest free and repayable by 1 March 2025 or earlier as agreed in writing.

19.6 Other transactions with key management personnel and their related parties

There were no other transactions conducted between the Group and key management personnel or their related parties, apart from those disclosed above and below, that were conducted other than in accordance with normal employee, customer or supplier relationships on terms no more favourable than those reasonably expected under arm's length dealings with unrelated persons.

	30 June 2024 $	30 June 2023 $
Trevor Thomas – employee (gross salary plus super)[1]	15,797	27,252
Linley Thomas – employee (gross salary plus super)[1]	-	3,146
Rebecca Thomas - employee (gross salary plus super)[2]	76,032	113,548
Jesper Sentow - CFO[3]	171,500	9,600
	263,329	153,546

(1) The related parties are the parents of Executive Director, Justin Thomas
(2) The related party is the spouse of Executive Director, Justin Thomas
(3) Sommersted Enterprises Pty Ltd, of which Jesper Sentow is a director, received $141,150 plus GST (30 June 2023: $9,600) of which $30,000 was paid in shares during the year for the CFO services.

Interest of KMP in subsidiaries

Name of related party	Nature of relationship	Nature of related party transactions
Blake Burton	Managing Director	Director of Attained
Burton Capital Holdings Pty Ltd	relation to Blake Burton	Attained acquisition
Liam Gale	Chief Information Officer	Director of Attained
Aviso IT	relation to Liam Gale	Attained acquisition
Paul Arch	Chief Operating Officer	Director of Attained
Esidium Group	relation to Paul Arch	Attained acquisition

Paul Arch (**COO**) and Liam Gale (**CIO**) became KMP on 14 March 2023 as a result of the acquisition of Attained. They both subsequently resigned as Directors of Attained on 2 August 2023 and 28 July 2023 respectively.

Change in director after 30 June 2024
Mr. Thomas resigned from his executive role effective from 9 July 2024. Mr. Thomas will remain on the Board in a Non-Executive Director capacity and will receive an annual salary of $36,000 plus superannuation.

This concludes the remuneration report, which has been audited.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the directors

____
Blake Burton
Managing Director

27 September 2024

To the Board of Directors,

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit director for the audit of the financial statements of Adisyn Ltd for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours Faithfully

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated this 27th day of September 2024
Perth, Western Australia

Adisyn Ltd and its controlled entities
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	30 June 2024 $	30 June 2023 $
Revenue from continuing operations			
Revenue	**5**	5,495,434	2,675,217
Other income	**6**	1,534,328	179,632
Expenses			
Cost of goods sold		(2,288,104)	(1,234,024)
Selling and distribution expenses	**7**	(93,319)	(224,072)
Administrative expenses	**8**	(750,164)	(581,094)
Impairment of assets	**17**	(773,121)	-
Share-based payments	**37**	(95,771)	(15,897)
Other operating expenses	**9**	(4,116,379)	(2,863,039)
Finance costs	**10**	(340,581)	(152,967)
Loss before income tax expense from continuing operations		**(1,427,677)**	**(2,216,244)**
Income tax expense	**11**	-	-
Loss after income tax expense from continuing operations		(1,427,677)	(2,216,244)
Profit/(loss) after income tax expense from discontinued operations	**30**	(270,818)	475,681
Loss after income tax expense for the year attributable to the owners of Adisyn Ltd		**(1,698,495)**	**(1,740,563)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(2,590)	(8,640)
Other comprehensive income for the year, net of tax		(2,590)	(8,640)
Total comprehensive income for the year attributable to the owners of Adisyn Ltd		**(1,701,085)**	**(1,749,203)**
Total comprehensive income for the year is attributable to:			
Continuing operations		(1,430,267)	(2,224,884)
Discontinued operations		(270,818)	475,681
		(1,701,085)	**(1,749,203)**
		(1,701,085)	**(1,749,203)**

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Adisyn Ltd			
Basic earnings per share	**39**	(1.42)	(2.19)
Diluted earnings per share	**39**	(1.42)	(2.19)
Earnings per share for profit/(loss) from discontinued operations attributable to the owners of Adisyn Ltd			
Basic earnings per share	**39**	(0.27)	0.47
Diluted earnings per share	**39**	(0.27)	0.47
Earnings per share for loss attributable to the owners of Adisyn Ltd			
Basic earnings per share	**39**	(1.69)	(1.72)
Diluted earnings per share	**39**	(1.69)	(1.72)

Adisyn Ltd and its controlled entities
Consolidated statement of financial position
As at 30 June 2024

	Note	30 June 2024 $	30 June 2023 $
Assets			
Current assets			
Cash and cash equivalents	12	299,141	676,806
Trade and other receivables	14	741,078	398,383
Inventory		11,860	11,944
Other assets		173,419	80,209
		1,225,498	1,167,342
Assets of disposal groups classified as held for sale	16	1,596,412	3,343,106
Total current assets		**2,821,910**	**4,510,448**
Non-current assets			
Right-of-use assets	15	1,667,130	2,474,423
Property, plant and equipment	17	936,894	1,335,062
Intangibles	18	1,179,449	1,470,738
Other assets		105,600	118,382
Total non-current assets		**3,889,073**	**5,398,605**
Total assets		**6,710,983**	**9,909,053**
Liabilities			
Current liabilities			
Trade and other payables	19	1,039,069	1,136,360
Contract liabilities		232,932	399,167
Lease liabilities	20	732,701	745,698
Other liabilities	21	293,117	1,208,816
Convertible notes	23	-	217,226
Borrowings	24	563,794	211,424
Provisions		113,699	285,071
		2,975,312	4,203,762
Liabilities directly associated with assets classified as held for sale	22	189,785	872,375
Total current liabilities		**3,165,097**	**5,076,137**
Non-current liabilities			
Trade and other payables	19	-	45,073
Lease liabilities	20	1,104,455	1,919,395
Borrowings	24	244,362	361,000
Provisions		49,286	23,587
Other liabilities	21	74,311	-
Total non-current liabilities		**1,472,414**	**2,349,055**
Total liabilities		**4,637,511**	**7,425,192**
Net assets		**2,073,472**	**2,483,861**
Equity			
Issued capital	25	11,324,454	10,067,297
Reserves	26	2,718,184	2,687,235
Accumulated losses		(11,969,166)	(10,270,671)
Total equity		**2,073,472**	**2,483,861**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

	Issued capital $	Share-based payment reserve $	Translation reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2022	**8,072,098**	**2,679,978**	**-**	**(8,530,108)**	**2,221,968**
Loss after income tax expense for the year	-	-	-	(1,740,563)	(1,740,563)
Other comprehensive income for the year, net of tax	-	-	(8,640)	-	(8,640)
Total comprehensive income for the year	-	-	(8,640)	(1,740,563)	(1,749,203)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs **(note 25)**	1,246,078	-	-	-	1,246,078
Share-based payments **(note 37)**	481,262	-	-	-	481,262
Conversion of convertible notes **(note 25)**	267,859	-	-	-	267,859
Share-based payments **(note 37)**	-	15,897	-	-	15,897
Balance at 30 June 2023	**10,067,297**	**2,695,875**	**(8,640)**	**(10,270,671)**	**2,483,861**

	Issued capital $	Share-based payment reserve $	Translation reserve $	Accumulated losses $	Total equity $
Balance at 1 July 2023	**10,067,297**	**2,695,875**	**(8,640)**	**(10,270,671)**	**2,483,861**
Loss after income tax expense for the year	-	-	-	(1,698,495)	(1,698,495)
Other comprehensive income for the year, net of tax	-	-	(2,590)	-	(2,590)
Total comprehensive income for the year	-	-	(2,590)	(1,698,495)	(1,701,085)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs **(note 25)**	699,167	-	-	-	699,167
Share-based payment (**note 37**)	92,230	33,539	-	-	125,769
Conversion of convertible notes and interest shares**(note 25)**	289,121	-	-	-	289,121
Issue of shares related to business combination - Attained acquisition	176,639	-	-	-	176,639
Balance at 30 June 2024	**11,324,454**	**2,729,414**	**(11,230)**	**(11,969,166)**	**2,073,472**

	Note	30 June 2024 $	30 June 2023 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		5,439,487	2,953,254
Payments to suppliers and employees (inclusive of GST)		(6,996,765)	(3,912,469)
Receipts from other income		1,030,171	67,216
Interest and other finance costs paid		(222,284)	(147,480)
Net cash used in operating activities	**13**	**(749,391)**	**(1,039,479)**
Cash flows from investing activities			
Net of cash acquired from business combination	**29**	-	234,289
Payments for property, plant and equipment	**17**	(51,211)	(41,497)
Proceeds from disposal of non-current asset		-	112,416
Proceeds from disposal of property, plant and equipment		852,432	-
Net cash from investing activities		**801,221**	**305,208**
Cash flows from financing activities			
Proceeds from issue of shares	**25**	698,000	1,255,900
Share issue transaction costs		(10,800)	(9,822)
Proceeds from borrowings		793,538	216,803
Repayment of borrowings		(757,713)	(10,866)
Repayment of lease liabilities		(1,152,520)	(641,613)
Net cash from/(used in) financing activities		**(429,495)**	**810,402**
Net increase/(decrease) in cash and cash equivalents		(377,665)	76,131
Cash and cash equivalents at the beginning of the financial year		676,806	600,675
Cash and cash equivalents at the end of the financial year	**12**	**299,141**	**676,806**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Reporting entity

The consolidated financial report covers Adisyn Limited (**the Company**) and its controlled entities as a consolidated entity (also referred to as **the Group**). Adisyn Limited is listed public company limited by shares, incorporated and domiciled in Australia. The Group is a for-profit entity. The Group's financial statements are presented in Australian dollars (AUD), which is also the Company's functional currency.

The financial statements were issued in accordance with a resolution by the Board on 27 September 2024.

Note 2. Material accounting policies

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

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

Historical cost convention
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, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in **note 3**.

Parent entity information
In accordance with the *Corporations Act 2001*, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in **note 40**.

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 discharge of liabilities in the normal course of business.

As disclosed in the financial statements, the Group incurred a loss of $1,698,495 (Company 30 June 2023: $1,740,563) and had net cash outflows from operating of $749,391 (Company 30 June 2023: $1,039,479) and investing activities inflow of $801,221 (Company 30 June 2023: $305,208) respectively for the year ended 30 June 2024. As at that date, the Group had net assets of $2,073,472 (Company 30 June 2023: $2,483,861). The ability of the Group to continue as a going concern is principally dependent upon the ability of the Group to secure funds by raising additional capital from equity markets and managing cash flows in line with available funds.

The Group has the ability to reduce forecast expenditure if required and it is anticipated that additional capital can be raised in the future if required. The financial report has been prepared on a going concern basis which assumes that the Company will continue to pay its debts as and when they fall due. The validity of this assumption depends on:

- The Company's ability to raise additional capital as required; and
- The Company's ability to generate cash flows from the successful operations of its primary activities.
- The Company's completion of the divestment of VMware cloud business assets to Zettagrid to generate up to $1.4m in cash (before costs) which payable into 2 tranches. The first tranche of $850,000 was settled during the year and the second tranche of up to $550,000 will be payable 9 months from 1 May 2024.

Note 2. Material accounting policies (continued)

Should the Group be unable to maintain sufficient funding as outlined above, there is material uncertainty whether or not the Company will be able to continue as a going concern and therefore, whether it will realise its assets and extinguish its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

The Directors believe that the Group will be successful in the above matters and accordingly, have prepared the preliminary financial report on a going concern basis. At this time, the Directors are of the opinion that no asset is likely to be realised for an amount less than the amount at which it is recorded in the financial report at 30 June 2024.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Adisyn Ltd ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Adisyn Ltd and its subsidiaries together 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 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. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides 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 acquisition of subsidiaries is 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 results 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 equity. 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.

Impairment of financial assets
The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Note 2. Material accounting policies (continued)

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

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

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Rounding of amounts
The Company is of a kind referred to ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest dollar.

Note 3. Critical accounting judgements, estimates and assumptions

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

Share-based payment transactions
The Group 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 either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

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. These assumptions include recent sales experience and historical collection rates.

Goodwill and other indefinite life intangible assets
The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the accounting policy stated in note 2. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Customer Contracts
The customer contracts are acquired in a business combination, estimate their fair value at the acquisition date. The management has involves using valuation techniques such as the income approach, which requires assumptions about discount rates of 21% to amortise the customer contracts over three years.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets
The Group assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Impairment of property, plant and equipment
The Group assesses impairment of property, plant and equipment at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Discontinued Operations
In preparing the preliminary financial report, management has made several key judgments and estimates regarding the classification and measurement of discontinued operations. These include:

Classification as Discontinued Operations: Management determined that the sale of the Miner Hosting Services Business represents a strategic shift that will have a major effect on the company's operations and financial results. This judgment was based on the division's contribution to total revenues and assets.

Measurement of Assets: The assets were measured at the lower of their carrying amount and fair value less costs to sell. This required significant judgment in estimating the fair value of the division's assets, including property, plant, and equipment, and intangible assets.

Timing of Recognition: The decision to classify the Miner Hosting Services Business as held for sale was made when management committed to a plan to sell the asset, and it was available for immediate sale in its present condition. The sale was expected to be completed within one year from the date of classification.

Presentation and Disclosure: The results of the Miner Hosting Services Business division have been presented separately in the income statement as discontinued operations. The major classes of assets and liabilities of the division have been presented separately in the balance sheet. Additional disclosures include the nature of the discontinued operations, the major classes of assets and liabilities, and the financial effects of the disposal.

Note 4. Operating segments

The Group aggregates two or more operating segments when they have similar economic characteristics, and the segments are similar in each of the following respects:

- Nature of products and services;
- Nature of the production processes;
- Type of class of customer for the products and services;
- Methods used to distribute the products or provide the services, and if applicable.
- Nature of the regulatory environment.

Operating segments that meet the quantitative criteria as prescribed by AASB 8 are reported separately. However, an operating segment that does not meet the quantitative criteria is still reported separately where information about the segment would be useful to users of the financial statements. Information about other business activities and operating segments that are below the quantitative criteria are combined and disclosed in a separate category for "all other segments".

The Group operates in two different segments. The "Infrastructure and Managed Services" segment includes Managed Support Services, Cyber Security Services, Cloud and data centre co-location, as well as Network and Back Up services. The "Miner Hosting" segment includes regional modular hosting services for client crypto currency mining equipment.

Note 4. Operating segments (continued)

30 June 2024	Infrastructure and Managed Services $	Miner Hosting Services $	Total $
Revenue			
Sales to external customers	5,484,144	11,290	5,495,434
Other revenue	1,433,848	100,480	1,534,328
Total revenue	6,917,992	111,770	7,029,762
Assets			
Segment assets	3,959,061	1,137,408	5,096,469
Unallocated assets:			
Cash and cash equivalents			299,141
Discontinued activities			1,596,412
Total assets			6,992,022
Liabilities			
Segment liabilities	2,915,916	723,655	3,639,571
Unallocated liabilities:			
Borrowings			808,156
Discontinued activities			189,785
Total liabilities			4,637,512

30 June 2023	Infrastructure and Managed Services $	Miner Hosting Services $	Total $
Revenue			
Sales to external customers	2,675,217	-	2,675,217
Other revenue	179,632	-	179,632
Total revenue	2,854,849	-	2,854,849
Assets			
Segment assets	5,889,141	-	5,889,141
Unallocated assets:			
Cash and cash equivalents			676,806
Discontinued activities			3,343,106
Total assets			9,909,053
Liabilities			
Segment liabilities	6,635,542	-	6,635,542
Unallocated liabilities:			
Bank loans			-
Convertible notes payable			217,226
Borrowings			572,424
Total liabilities			7,425,192

Note 4. Operating segments (continued)

Accounting policy for operating segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues. Management will also consider other factors in determining operating segments such as the existence of a line manager and the level of segment information presented to the board of directors. Operating segments have been identified based on the information provided to the chief operating decision makers – being the executive management team.

Note 5. Revenue

	30 June 2024 $	30 June 2023 $
Major product lines		
Data centre and cloud services	1,331,863	2,019,391
Managed support services	3,628,754	505,670
Project revenue	534,817	150,156
	5,495,434	2,675,217
Geographical regions		
Australia	5,321,626	2,617,541
United Kingdom	173,808	57,676
	5,495,434	2,675,217
Timing of revenue recognition		
Goods transferred at a point in time	-	-
Good transferred over time	-	-
Services transferred at a point in time	5,495,434	2,675,217
Services transferred over time	-	-
	5,495,434	2,675,217

The Group disaggregates revenue based on the type of services provided to customers distinguishing between data centre and cloud activities, modular hosting (crypto mining hosting) activities and modular product mining equipment sales in line with the internal management reporting procedures.

Accounting policy for revenue recognition

Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control (i.e. at a point in time or over time) requires judgement.

The Group assessed its revenue streams and the above noted performance obligations and measurement methods have been identified and adopted in the preparation of these financial statements. The Group recognises contract assets in relation to the Group's right to consideration for work completed but not invoiced at the reporting date. Certain arrangements with customer require the customers to formally accept the product before an invoice can be raised.

The contract assets are transferred to receivables when the rights become unconditional. The timing of invoicing and payment is dependent on the specific terms and conditions of the underlying contact.

Note 5. Revenue (continued)

Revenue arises mainly from the provision of data centre and cloud services, hosting services and hardware sales.

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

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

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties. These services are billed to customers monthly.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

Sale of goods and associated bundled services
Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, being when the goods have been shipped to the specific location agreed with the customer or when any associated agreed performance obligations attached to the sale of goods have been satisfied (where applicable). For example, the set-up and commissioning of equipment. All equipment sales are billed to customers monthly.

Note 6. Other income

	30 June 2024 $	30 June 2023 $
Net gain on disposal of VMware Cloud Platform	1,253,611	-
Government grants	154,589	-
Sundry income	100,480	25,422
Bad debt recovered	-	36,549
Other income	25,648	117,661
Other income	1,534,328	179,632

Accounting policy for other income
Government grants
Government grants are recognised at fair value where there is reasonable assurance that the grant will be received and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs it is compensating. Grants relating to assets are credited.

Note 7. Selling and distribution expenses

	30 June 2024 $	30 June 2023 $
Marketing expenses	93,319	199,968
Commissions & bonuses paid	-	24,104
	93,319	224,072

Note 8. Administrative expenses

	30 June 2024 $	30 June 2023 $
Accounting, auditing and ASX Fees	79,243	117,368
Company secretarial and other consulting fees	514,512	281,666
Legal fees	146,688	173,194
Other expenses	9,721	8,866
	750,164	581,094

Note 9. Other operating expenses

	30 June 2024 $	30 June 2023 $
Salaries and wages	2,042,372	1,595,252
Superannuation	222,610	213,885
Depreciation	592,163	625,413
Amortisation	407,396	39,222
Insurance and ISO Expenses	134,220	125,565
Utilities and rates	52,299	57,517
Office administration expenses	165,765	63,789
Travel	16,201	11,352
Training and recruitment costs	15,750	8,291
Other expenses	335,908	122,753
Payroll Tax	12,049	-
Doubtful debts	119,646	-
	4,116,379	2,863,039

Note 10. Finance costs

	30 June 2024 $	30 June 2023 $
Interest expense	76,331	41,586
Interest - leased assets	175,963	162,713
Convertible Note - Finance cost	24,775	292,037
Embedded derivatives - Fair value adjustment	63,512	(343,369)
	340,581	152,967

Accounting policy for finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Note 11. Income tax

	30 June 2024 $	30 June 2023 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations	(1,427,677)	(2,216,244)
Profit/(loss) before income tax expense from discontinued operations	(270,818)	475,681
	(1,698,495)	(1,740,563)
Tax at the statutory tax rate of 25%	(424,624)	(435,141)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Entertainment expenses	876	93
Legal expenses	-	26,118
Share-based payments	23,943	3,974
Penalty and fines	-	155
Other income	(38,467)	(187,364)
Offset against DTL not recognised	436,342	592,165
Other expenses	1,930	-
Income tax expense	-	-

	30 June 2024 $	30 June 2023 $
Deferred tax assets not recognised		
Deferred tax assets not recognised comprises temporary differences attributable to:		
Employee benefits	40,747	-
Provision	6,345	85,007
Accrued expenses	52,485	-
Business related costs	17,687	-
Plant and equipment under lease	295,550	6,358
Transaction costs arising on shares issued	42,929	102,513
Tax losses	2,455,946	2,428,409
Intangible assets	49,916	-
Unrecognised deferred tax liabilities	(2,961,605)	(2,622,287)
Total deferred tax assets not recognised	-	-
Deferred Tax liability:		
Property, plant and equipment	(648,803)	(1,083,637)
Accrued expenses	-	(51,461)
Prepayments	(43,355)	(12,052)
Unrecognised deferred tax assets	(692,158)	(1,147,150)
Deferred tax liability	(692,158)	(1,147,150)

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit is uncertain.

Note 11. Income tax (continued)

The Company has tax losses that are available indefinitely to be offset against the future taxable profits of the Company. The potential deferred tax assets, arising from tax losses (as disclosed above) are not brought to account as management is of the view that there is uncertainty in the realisation of the related tax benefits through future taxable profits. The amount of these benefits is based on the assumption that no adverse change will occur in income tax legislation and the anticipation that the Company will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

Note 12. Cash and cash equivalents

	30 June 2024 $	30 June 2023 $
Current assets		
Cash at bank	299,141	676,806

Note 13. Cash flow information

Reconciliation of loss after income tax to net cash used in operating activities

	30 June 2024 $	30 June 2023 $
Loss after income tax expense for the year	(1,698,495)	(1,740,563)
Adjustments for:		
Depreciation of property, plant and equipment and right-of-use assets	725,383	625,414
Impairment of assets	773,121	-
Net loss on disposal of financed assets	24,083	-
Share-based payments	125,771	15,897
Unwinding of transaction costs on equity	-	(165,230)
Amortisation of intangible assets	407,396	39,222
Allowance for credit losses	119,646	-
Interest and other finance costs	227,126	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	(462,340)	4,991
Decrease in inventory	84	73,308
(Increase)/Decrease in other current assets	(80,430)	(45,396)
Decrease in trade and other payables	(553,758)	(137,705)
Increase/(decrease) in contract liabilities	(166,235)	273,046
Increase/(decrease) in other provisions	(190,743)	17,537
Net cash used in operating activities	(749,391)	(1,039,479)

Non-cash investing and financing activities

	30 June 2024 $	30 June 2023 $
Shares issued under employee share plan	125,771	-
Shares issued in relation to business combinations	176,639	481,262
Shares issued on conversion of loan	246,250	-
Shares issued on conversion of interest on convertible note	43,838	-
	592,498	481,262

Note 14. Trade and other receivables

	30 June 2024 $	30 June 2023 $
Current assets		
Trade receivables	312,860	397,254
Trade receivables - from disposal of business	547,568	-
Less: Allowance for expected credit losses	(120,479)	-
	739,949	397,254
Other receivables	1,129	1,129
	741,078	**398,383**

Allowance for expected credit losses
The ageing of the receivables and allowance for expected credit losses provided for above are as follows:

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	30 June 2024 %	30 June 2023 %	30 June 2024 $	30 June 2023 $	30 June 2024 $	30 June 2023 $
Not overdue	1.0596%	-	741,576	186,049	7,858	-
31-60 days overdue	76.1839%	-	26,163	31,241	19,932	-
61- 180 days overdue	100.0000%	-	(123)	33	(123)	-
181 -360 days overdue	100.0000%	-	92,449	180,730	92,449	-
Over 360 days overdue	24.3500%	-	1,492	330	363	-
			861,557	398,383	120,479	-

Trade receivables are non-interest bearing and generally on 7- or 15-days term (30 June 2023: 7 or 15 days). For allowance for expected credit losses analysis at the end of the reporting period, please refer to **note 27**.

Movements in the allowance for expected credit losses are as follows:

	30 June 2024 $	30 June 2023 $
Opening balance	-	20,333
Additional provisions recognised	120,479	-
Discontinued operations	-	(20,333)
Closing balance	120,479	-

Accounting policy for trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 15 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. For allowance for expected credit losses analysis at the end of the reporting period, please refer to **note 27**.

Note 15. Right-of-use assets

	30 June 2024 $	30 June 2023 $
Non-current assets		
Other finance leased assets - right-of-use	1,128,499	1,853,409
Less: Accumulated depreciation	(626,448)	(905,767)
	502,051	947,642
Property - right-of-use	2,604,984	2,604,984
Less: Accumulated depreciation	(1,439,905)	(1,078,203)
	1,165,079	1,526,781
	1,667,130	2,474,423

The Group leases land and buildings for its offices in Osborne Park and Bibra Lake under agreements of between 2019 to 2027 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated. The Group also leases IT equipment under agreements of between 3 to 5 years.

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Property $	Other Finance Leased Assets $	Total $
Balance at 1 July 2022	1,912,840	1,076,956	2,989,796
Additions	-	54,216	54,216
Classified as held for sale **(note 16)**	-	(43,076)	(43,076)
Depreciation expense	(386,059)	(140,454)	(526,513)
Balance at 30 June 2023	1,526,781	947,642	2,474,423
Additions	-	-	-
Classified as held for sale **(note 16)**	-	(6,088)	(6,088)
Disposals	-	(425,975)	(425,975)
Discontinued depreciation	-	(808)	(808)
Transfers in/(out)	-	29,500	29,500
Depreciation expense	(361,702)	(42,220)	(403,922)
Balance at 30 June 2024	1,165,079	502,051	1,667,130

Note 16. Assets of disposal groups classified as held for sale

	30 June 2024 $	30 June 2023 $
Current assets		
Trade and other receivables	118,992	1,059,395
Inventories	112,336	133,843
Rights of use assets	6,088	29,499
Property, plant and equipment	1,358,996	2,004,262
Intangible assets	-	116,107
	1,596,412	3,343,106

Note 16. Assets of disposal groups classified as held for sale (continued)

The Group is actively pursuing the disposal of its Miner Hosting activities in Western Australia's Midwest region and Victoria. The decision to dispose of these activities was made following a comprehensive review of the Company's strategic and long-term objectives.

The intended disposal will primarily involve the property, plant and equipment associated with the groups Miner Hosting division. The Group is in the process of identifying expression of interest from suitable buyers.

Accounting policy for non-current assets or disposal groups classified as held for sale
Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

Note 17. Property, plant and equipment

	30 June 2024 $	30 June 2023 $
Non-current assets		
Plant and equipment - at cost	2,407,714	1,709,579
Less: Accumulated depreciation	(942,051)	(607,821)
Less: Impairment	(773,121)	-
	692,542	1,101,758
Property Improvements - at cost	341,380	314,427
Less: Accumulated depreciation	(97,028)	(81,123)
	244,352	233,304
CloudSigma equipment - at cost	147,913	147,913
Less: Accumulated depreciation	(147,913)	(147,913)
	-	-
	936,894	1,335,062

Note 17. Property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Property improvements $	Plant and equipment $	Total $
Balance at 1 July 2022	**242,021**	**3,395,520**	**3,637,541**
Additions	9,987	31,510	41,497
Additions through business combinations **(note 29)**	-	169,614	169,614
Classified as held for sale **(note 16)**	(4,237)	(2,000,025)	(2,004,262)
Discontinued depreciation	(168)	(410,259)	(410,427)
Depreciation expense	(14,301)	(84,600)	(98,901)
Balance at 30 June 2023	**233,302**	**1,101,760**	**1,335,062**
Additions	18,987	19,323	38,310
Additions through business combinations **(note 29)**	-	3,950	3,950
Disposals	-	(3,228)	(3,228)
Impairment of assets	(41,225)	(731,896)	(773,121)
Discontinued depreciation	-	(132,412)	(132,412)
Transfers in/(out)	7,009	649,453	656,462
Depreciation expense	(15,063)	(173,066)	(188,129)
Balance at 30 June 2024	**203,010**	**733,884**	**936,894**

Note 18. Intangibles

	30 June 2024 $	30 June 2023 $
Non-current assets		
Goodwill - at cost	451,769	1,294,808
Development - at cost	335,929	119,985
Less: Accumulated amortisation	(253,810)	(59,992)
	82,119	59,993
Intellectual property - at cost	104,451	104,451
Less: Accumulated amortisation	(20,890)	-
	83,561	104,451
Customer contracts - at cost	843,039	-
Less: Accumulated amortisation	(281,039)	-
	562,000	-
Other intangible assets - at cost	-	11,486
	1,179,449	1,470,738

Note 18. Intangibles (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	$
Balance at 1 July 2022	263,635
Additions through business combinations **(note 29)**	1,410,745
Classified as held for sale **(note 16)**	(116,107)
Discontinued amortisation expense	(48,313)
Amortisation expense	(39,222)
Balance at 30 June 2023	1,470,738
Transfers in/(out)	116,107
Amortisation expense	(407,396)
Balance at 30 June 2024	1,179,449

Accounting policy for intangible assets
Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill
Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Development cost
Development costs relate to the development of hardware coded interfaces for Power Distribution Units (PDU's), development of PDU prototypes and electro-magnetic compatibility (EMC) testing, as well as the software to monitor and operate the PDU's. PDU's are amortised over 4 years and the software over 3 years.

Refer to **note 2** for further information on accounting policy associated with impairment.

Intellectual property
Significant costs associated with intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Customer contracts
Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Note 19. Trade and other payables

	30 June 2024 $	30 June 2023 $
Current liabilities		
Trade payables	474,704	526,101
Accrued expenses	140,960	113,014
ATO payable	103,576	209,360
Superannuation payables	72,088	66,973
Other payables	11,391	13,948
Income tax payable	(262)	(262)
Wages payables	236,612	207,226
	1,039,069	1,136,360
Non-current liabilities		
ATO Payable	-	45,073

Refer to **note 27** for further information on financial instruments.

Note 20. Lease liabilities

	30 June 2024 $	30 June 2023 $
Current liabilities		
Lease liability	732,701	745,698
Non-current liabilities		
Lease liability	1,104,455	1,919,395

The Company has leases for the business premises in Osborne Park and Bibra Lake and various IT equipment leases.

Refer to **note 27** for further information on financial instruments.

Note 21. Other liabilities

	30 June 2024 $	30 June 2023 $
Current liabilities		
Other current liabilities	293,117	1,208,816
Non-current liabilities		
Other non-current liabilities	74,311	-

Other liabilities relate to deferred consideration of $1,208,816 payable to Attained Group Pty Ltd (Attained) in relation to the acquisition.

Note 22. Liabilities directly associated with assets classified as held for sale

	30 June 2024 $	30 June 2023 $
Current liabilities		
Trade payables	189,785	645,751
Hire purchase	-	226,624
	189,785	872,375

Note 23. Convertible notes

	30 June 2024 $	30 June 2023 $
Current liabilities		
Convertible notes	-	174,494
Convertible note - fair value of embedded derivative	-	8,244
Accrued interest on notes	-	34,488
	-	217,226

	30 June 2024	30 June 2023
Convertible note liability	-	502,500
Value of embedded derivative recognised on issue	-	(351,613)
Value of conversion notes recognised in equity on conversion	-	(256,250)
Transaction costs reversed relating to converted notes	-	179,305
Face value of convertible notes	-	73,942
Unwinding of transaction costs (amortisation)	-	153,050
Amortisation of convertible note attributed to converted notes to equity	-	(52,498)
Total	-	100,552
Total convertible note liability	-	174,494

Refer to **note 27** for further information on financial instruments.

Refer to **note 28** for further information on fair value measurement.

In May 2024 246,250 convertible notes were converted to fully paid ordinary shares 4,925,000 on redemption of outstanding Tranche 1 Convertible Notes at a price of $0.05. During the year 1,096,770 fully paid ordinary shares in settlement of interest payable on Tranche 1 Convertible notes were also issued. No options were issued. At the end of the annual reporting period all convertible notes were redeemed and there are nil securities remaining to be issued.

Accounting policy for derivative financial instruments and convertible notes
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Derivatives are classified as current or non-current depending on the expected period of realisation.

Note 23. Convertible notes (continued)

a. Debt component
The conversion feature of convertible notes (notes) is required to be separated from the notes and is accounted for separately as derivative financial liability. As a result, the notes are initially recognised at discounted amount. The discount is amortised as interest expense using the effective interest method over the terms of the notes.

b. Embedded derivative - conversion feature
The conversion feature in the notes represents the embedded derivate financial instrument in the host debt contract. The conversion feature represents the Group's obligation to issue Company shares at an agreed pricing mechanism should noteholders exercise their conversion of option.

The embedded derivatives are carried in the Statement of Financial Position at their estimated fair value taking market participant assumptions into consideration, with any changes in fair value recognised in the Statement of Profit or Loss and Other Comprehensive Income.

c. Settlement of Convertible Notes
Where notes are settled by issue of shares, the related financial liabilities are derecognised at their carrying value with the corresponding increase to share capital. Any costs incurred are recognised in profit or loss.

Where notes are settled by payment of cash the related financial liabilities are derecognised at their carrying value and the difference between total cash consideration paid and the carrying value of the financial liabilities derecognised is recognised in profit or loss.

d. Capitalised transaction costs
The Company incurred transaction costs upon the issuance of the notes. Transaction costs relating to the notes have been allocated to the debt component instrument. Costs attributed to the debt component are amortised to finance expense over the term of the notes using the effective interest method.

Accounting policy for borrowing cost
Borrowing costs include interest, amortisation of discounts or premiums relating to borrowings, amortisation of ancillary costs incurred in connection with arrangement of borrowings and lease finance charges. Borrowing costs are expensed as incurred.

Note 24. Borrowings

	30 June 2024 $	30 June 2023 $
Current liabilities		
Directors' loans [a]	479,439	205,487
Insurance premium funding	84,355	5,937
	563,794	211,424
Non-current liabilities		
Bank loans	190,526	-
Director loans [b]	53,836	361,000
	244,362	361,000
[a] Breakdown of current liabilities loans from directors		
Blake Burton[1]	299,439	205,487-
Justin Thomas	120,000	-
Shane Wee	60,000	-
Total	479,439	205,487

Note 24. Borrowings (continued)

[b] Breakdown of non-current liabilities loans from directors		
Blake Burton	53,836	181,000
Justin Thomas	-	120,000
Shane Wee	-	60,000
Total	53,836	361,000

The proceeds and repayments of these borrowing arrangements are summarised below:

	30 June 2024 $	30 June 2023 $
Opening balance	572,424	361,000
Proceeds from directors' loans	-	200,000
repayment of directors' loans	(50,000)	-
Interest payable to loan from director	16,787	5,487
Proceeds from premium funding	210,519	16,803
Repayment of premium funding	(132,100)	(10,866)
Proceeds from bank loans	199,795	-
Repayment of bank loans	(9,269)	-
	808,156	572,424

[a] These loans in provided on interest free conditions and due to expire on 1 March 2025 or earlier as agreed in writing.

[1]The Company has entered into a short-term loan agreement with its Managing Director, Mr Blake Burton on 27 February 2023 and amended on 15 December 2023. Under the Agreement. Mr Burton has agreed to advance the Company $200,000 with a further $50,000 standby credit available that may be drawn down if required by the Company. The Loan Agreement is repayable by 31 December 2025 or may otherwise be converted into shares in the Company, subject to shareholder approval. The Loan Agreement accrues interest at a rate of 10% p.a.

[b] The loan is subject to a 10% p.a. interest charge and is being repaid at $10,000 per month. The loan is scheduled to be fully repaid by 31 December 2025 and has an un-drawn Stand-By amount of $50,000.

Note 25. Issued capital

	30 June 2024 Shares	30 June 2023 Shares	30 June 2024 $	30 June 2023 $
Ordinary shares - fully paid	185,132,002	130,716,089	11,969,128	10,701,171
capital raising cost	-	-	(644,674)	(633,874)
	185,132,002	130,716,089	11,324,454	10,067,297

Note 25. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2022	75,166,666		8,072,098
Conversion of convertible notes	1 Sep 2022	125,000	$0.050	6,250
Conversion of convertible notes incl interest	30 Nov 2022	5,351,780	$0.050	267,859
Issue of shares	5 Oct 2022	7,516,667	$0.039	293,150
Issue of shares – Share Purchase Plan	28 Nov 2022	3,717,945	$0.039	145,000
Issue of shares	30 Nov 2022	11,269,237	$0.039	439,500
Issue of shares	5 January 2023	9,538,462	$0.039	372,000
Issue of shares related to business combination	5 April 2023	17,824,504	$0.027	481,262
Issue of shares to employee under ESIP[1]	5 January 2023	104,126	$0.058	-
Issue of shares to employee under ESIP[1]	24 May 2023	101,702	$0.052	-
Share issue costs		-		(9,822)
Balance	**30 June 2023**	**130,716,089**		**10,067,297**
Issue of shares to vendors related to acquisition of Attained[2]	26 October 2023	8,831,950	$0.020	176,639
Issue of interest shares to note holders[3]	26 October 2023	239,344	$0.050	11,967
issue of shares - placement	30 November 2023	20,000,000	$0.020	400,000
Issue of shares to employees under ESIP	18 December 2023	162,193	$0.020	8,230
Issue of shares to employees under ESIP[4]	18 December 2023	1,500,000	$0.020	30,000
Issue of shares - placement	26 February 2024	14,900,000	$0.020	298,000
Conversion of convertible notes	2 May 2024	4,925,000	$0.050	246,250
Issue of interest shares to notes holders[3]	2 May 2024	857,426	$0.050	42,871
Issue of shares to corporate advisor	16 May 2024	3,000,000	$0.018	54,000
Share issue costs				(10,800)
Balance	**30 June 2024**	**185,132,002**		**11,324,454**

[1] Average share price of 5-days VWAP.

[2] On 26 October 2023, the Company issued 8,831,950 ordinary shares at a deemed price of $0.02 per share (Consideration Shares) to Esidium Group and Aviso IT to offset $176,639 of cash consideration.

[3] On 26 October 2023, the Company issued 239,344 ordinary shares at $0.05 to the convertible note holders in satisfaction of the interest up to 30 September 2023. Settlement of remaining interest to note holders at redemption date.

[4] On 18 December 2023, the Company issued 1,500,000 ordinary shares at $0.02 to Jesper Sentow, Chief Financial Officer of the Company.

Note 26. Reserves

	30 June 2024 $	30 June 2023 $
Foreign currency reserve	(11,230)	(8,640)
Share-based payments reserve	2,729,414	2,695,875
	2,718,184	2,687,235

Note 26. Reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

	Share-based payments reserve $	Foreign currency reserve $	Total $
Balance at 1 July 2022	2,679,978	-	2,679,978
Foreign currency translation	-	(8,640)	(8,640)
Options issued to Director in prior years (**note 37**)	15,897	-	15,897
Balance at 30 June 2023	2,695,875	(8,640)	2,687,235
Foreign currency translation	-	(2,590)	(2,590)
Performance rights issued	33,539	-	33,539
Balance at 30 June 2024	2,729,414	(11,230)	2,718,184

Accounting policy for reserves
Foreign currency reserve
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services. Further information about share based payments to employees is set out in **note 37**.

The increase in share-based payment reserve and expense for services rendered by employees during the period is determined with reference to the grant date fair value of the applicable award. The tax benefit, where available, in respect of those awards is made with reference to the share price at the time the underlying shares are acquired or issued by the Group to satisfy those awards. Where the tax benefit available is in excess of the tax effect on the cumulative charge to profit and loss, the remaining credit is determined to relate to the equity issue and is included within the share-based payment reserve. Amounts recorded in the share-based payment reserve are reclassified to contributed equity on vesting of the performance rights.

Note 27. Financial instruments

Financial risk management objectives
The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, and ageing analysis for credit risk.

The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Company. Management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, and exposure limits, in accordance with the objectives and underlying principles approved by the Board of Directors.

There have been no changes to the Company's exposure to these financial risks or the way it manages the risk, except for its credit risk. Market risk exposures are measured using sensitivity analysis indicated below.

Note 27. Financial instruments (continued)

Market risk
Market risk is the risk that changes in market price, such as interest rates and foreign exchange rates will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk
The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances between entities.

The average exchange rates and reporting date exchange rates applied were as follows:

	Average exchange rates		Reporting date exchange rates	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Australian dollars				
Pound sterling	0.52	0.52	0.53	0.61

The carrying amount of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	Assets		Liabilities	
	30 June 2024 $	30 June 2023 $	30 June 2024 $	30 June 2023 $
Pound Sterling	37,757	318,887	22,292	50,619

The Group had net assets denominated in foreign currencies of $15,465 (assets of $37,757 less liabilities of $22,292) as at 30 June 2024 (30 June 2023: $268,268(assets of $318,887less liabilities of $59,619)). Based on this exposure, had the Australian dollars weakened by 5%/strengthened by 5% (30 June 2023 : weakened by 5%/strengthened by 5%) against these foreign currencies with all other variables held constant, the Group's profit before tax for the year would have been $401 higher/$443 lower (30 June 2023 :$1,767 lower/$1,952 higher) and equity would have been $12,349 lower/$13,649 higher (30 June 2023 :$12,775 lower/ $ 14,119 higher). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements over the last 12 months each year and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 30 June 2024 was $2,592 (30 June 2023 : loss of $ 8,640).

	AUD strengthened			AUD weakened		
30 June 2024	% change	Effect on profit before tax	Effect on equity	% change	Effect on profit before tax	Effect on equity
Pound sterling	5%	(443)	13,649	(5%)	401	(12,349)
Pound sterling	10%	(936)	28,814	(10%)	766	(23,575)
		(1,379)	42,463		1,167	(35,924)

Note 27. Financial instruments (continued)

30 June 2023	AUD strengthened % change	AUD strengthened Effect on profit before tax	AUD strengthened Effect on equity	AUD weakened % change	AUD weakened Effect on profit before tax	AUD weakened Effect on equity
Pound sterling	5%	1,952	14,119	(5%)	(1,767)	(12,775)
Pound sterling	10%	4,121	29,807	(10%)	(3,372)	(24,388)
		6,073	43,926		(5,139)	(37,163)

Price risk
The Group is not exposed to any significant price risk.

Interest rate risk
The Company's exposure to the risks of changes in market interest rates is insignificant as the Company does not hold short-term deposits with a floating interest rate, the Company's equipment and property leases have fixed rates based on the either the rate implicit in the lease or the incremental borrowing rate at the commencement of the lease.

All other financial assets and liabilities in the form of cash at bank, receivables and payables are non-interest bearing, with the exception of overdue receivables on a single customer account where interest is being charged on the overdue balance at a rate of 15% per annum. The Company does not engage in any hedging or derivative transactions to manage interest rate risk. The Company has not entered any hedging activities to cover interest rate risk. Regarding its interest rate risk, the Company does not have a formal policy in place to mitigate such risks.

The following table set out the carrying amount by maturity of the Company's exposure to interest rate risk and the effective weighted average interest rate for each class of these financial instruments.

30 June 2024	Non-Interest Bearing $	1 Year $	1 – 5 Years $	> 5 years $	Floating Interest Rate $	Weighted Average Interest Rate %	Total $
Financial assets							
Cash and cash equivalents	-	-	-	-	299,141	-	299,141
Trade receivables	741,078	-	-	-	-	-	741,078
	741,078	-	-	-	299,141		1,040,219
Financial liabilities							
Trade payables	1,039,069	-	-	-	-	-	1,039,069
Lease liabilities	-	732,701	1,104,455	-	-	6.39%	1,837,156
Contract liabilities	232,932	-	-	-	-	-	232,932
Other financial liabilities	-	293,117	74,311	-	-	12.00%	367,428
Borrowings	361,000	202,794	244,363	-	-	6.02%	808,157
	1,633,001	1,228,612	1,423,129	-	-		4,284,742

Note 27. Financial instruments (continued)

30 June 2023	Non-Interest Bearing $	1 Year $	1 – 5 Years $	> 5 years $	Floating Interest Rate $	Weighted Average Interest Rate %	Total $
Financial assets							
Cash and cash equivalents	-	-	-	-	676,806	-	676,806
Trade receivables	398,383	-	-	-	-	-	398,383
	398,383	-	-	-	676,806		1,075,189
Trade payables	1,136,360	-	-	-	-	-	1,136,360
Lease liabilities	-	745,698	1,919,395	-	-	7.42%	2,665,093
Contract liabilities	399,167	-	-	-	-	-	399,167
Other financial liabilities	1,208,816	-	-	-	-	-	1,208,816
Convertible notes	-	217,226	-	-	-	12.00%	217,226
Borrowings	361,000	211,424	-	-	-	8.00%	572,424
	3,105,343	1,174,348	1,919,395	-	-		6,199,086

Credit risk
Credit risk refers to the risk that counterparty will default on its contractual obligation, resulting in financial loss to the Company. A default on a financial asset is when the counterparty fails to make contractual payments as per agreed terms. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Risk Management
The Company has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company do not require collateral from its customers. The Company's major classes of financial assets are trade and other receivables.

Impairment of financial asset
The Company has the following financial assets that are subject to insignificant credit losses where the expected credit loss ('ECL') model has been applied using the following approaches below.

Trade receivables
To measure the expected credit losses, trade receivables were grouped based on shared credit risk characteristics. Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company.

The Company has not experienced any instances of non-payment from its customers over the past 12 months and has used their repayment pattern as a basis for estimation to estimate its ECL for the current year. The Company did not determine the default risk of it financial instruments as most of its trade receivables are historical clients that have no bad debt history.

For the purpose of impairment assessment, other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, the loss allowance is measured at an amount equal to 12-month ECL.

In determining the ECL, the historical default experience and financial position of the counterparties are taken into account, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case. There has been no change in estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for other receivables.

Allowance for expected credit losses
The Group has recognised a loss of $119,646 (30 June 2023: $36,549) in profit or loss in respect of the expected credit losses for the year ended 30 June 2024.

Note 27. Financial instruments (continued)

Liquidity risk
Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 28. Fair value measurement

Fair value hierarchy
The following tables detail the Group's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

30 June 2024	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Embedded derivatives	-	-	-	-
Total liabilities	-	-	-	-

30 June 2023	Level 1 $	Level 2 $	Level 3 $	Total $
Liabilities				
Embedded derivatives	-	8,244	-	8,244
Total liabilities	-	8,244	-	8,244

Assets and liabilities held for sale are measured at fair value on a non-recurring basis.

There were no transfers between levels during the financial year.

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Valuation techniques for fair value measurements categorised within level 2 and level 3
Derivative financial instruments have been valued using quoted market rates. This valuation technique maximises the use of observable market data where it is available and relies as little as possible on entity specific estimates.

Accounting policy for fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Note 28. Fair value measurement (continued)

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 29. Business combinations

On 1 April 2023, the Company acquired 100% of the ordinary shares of Attained for the total deferred consideration of $1,208,816 plus 17,824,504 consideration shares calculated using fair value per consideration share of $0.027. The cash consideration of $1,108,776 is to be paid in 4 equal quarterly instalments of $277,194 commencing 3 months after the acquisition date and $100,040 contingent settlement as part of settlement statement.

Attained is a managed IT and cloud services business, deploying and managing technology solutions across a variety of enterprises to improve performance and efficiency. It was acquired as an initial step towards building a unique technology offering, leveraging the Group’s existing core assets and service, deemed critical to build an end-to-end marketing offering. There are significant synergies expected from combining the operations of Attained within the Group. The goodwill represents the difference in fair value of the total consideration transferred and net assets acquired through the business combination. The acquired business contributed revenues of $774,897 and profit after tax of $321,781 to the Group for the period from 31 March 2023 to 30 June 2023.

During the year, the management has assigned the goodwill of $843,039 to customer contracts leaving the balance of goodwill to $451,769.

Note 29. Business combinations (continued)

Details of the acquisition are as follows:

	Fair value $
Cash and cash equivalents	234,331
Trade receivables	425,695
Other receivables	23,330
Other current assets	12,876
Plant and equipment	169,614
Other intangible assets	115,937
Customer contracts	843,039
Trade payables	(171,988)
Other payables	(51,907)
Employee benefits	(157,332)
Revenue received in advance	(158,498)
Hire purchase	(36,200)
Other liabilities	(10,588)
Net assets acquired	1,238,309
Goodwill	451,769
Acquisition-date fair value of the total consideration transferred	1,690,078
Representing:	
Cash payable to vendor	1,108,776
Adisyn Ltd shares issued to vendor	481,262
Contingent consideration	100,040
	1,690,078
Acquisition costs expensed to profit or loss	118,924

Fair values assigned to identifiable assets, liabilities and associated tax balances above are presented on a final basis.
As outlined in the Group's Business Combination accounting policy below, the identification of assets and liabilities and associated fair value measurement as part of acquisition accounting is subject to significant judgement and estimation. The following key estimates and judgements were required as part of the acquisition accounting for the business:

Intangible assets - the valuation of these assets involved use of, amongst other factors, grid reliability assumptions and various costs assumptions.

Customer contracts - During the year, the Group has assigned the goodwill of $843,039 to customer contracts.

The following key assumptions were made by the management:
An analysis of Attained's customer base before and after the acquisition indicated an increase in the value of contracts.

Post-acquisition, 28 customers were lost, but 10 new customers were acquired. The value of the contracts from the 10 new customers exceeds that of the 28 lost customers.

Based on the 12 months preceding Adisyn's acquisition of Attained, the financial performance of the Attained Group has been projected with a 3% growth rate applied to both income and expenses.

A conservative add-back of normalized amortization and depreciation has been included.

The net present value (NPV) of future cash flows was calculated using a discount rate of 21% per annum.

Note 29. Business combinations (continued)

Deferred tax liability - the recognition of deferred tax liabilities is directly associated with the determination of both initial accounting values and the determination and allocation of tax bases on entry into the Group's tax consolidated group. The balance reflects the non-deductibility for tax purposes of the intangible assets.

Accounting policy for business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued, or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the Group assesses the financial assets acquired, and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the Group's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the Group remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Note 30. Discontinued operations

Description
The Group is actively pursuing the disposal of its Miner Hosting activities in Western Australia’s Midwest region and Victoria. The decision to dispose of these activities was made following a comprehensive review of the Company's strategic and long-term objectives.

The intended disposal will primarily involve the property, plant and equipment associated with the groups Miner Hosting division. The Group is in the process of identifying expression of interest from suitable buyers.

Note 30. Discontinued operations (continued)

Financial performance information

	30 June 2024 $	30 June 2023 $
Discontinued modular hosting revenue	1,315,005	2,729,774
Total discontinued revenues	1,315,005	2,729,774
Discontinued other income	-	749,455
Discontinued cost of sales	(910,603)	(1,730,706)
Discontinued operating expenses	(542,000)	(1,159,100)
Discontinued other expenses	(133,220)	(113,742)
Total expenses	(1,585,823)	(3,003,548)
Profit/(loss) before income tax expense	(270,818)	475,681
Income tax expense	-	-
Profit/(loss) after income tax expense	(270,818)	475,681
Profit/(loss) after income tax expense from discontinued operations	(270,818)	475,681

Cash flow information

	30 June 2024 $	30 June 2023 $
Net cash from operating activities	171,262	46,988
Net cash from investing activities	(12,900)	-
Net cash from financing activities	-	60,207
Net increase in cash and cash equivalents from discontinued operations	158,362	107,195

Accounting policy for discontinued operations
A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

Note 31. 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**:

		Ownership interest	
Name	**Principal place of business / Country of incorporation**	**30 June 2024 %**	**30 June 2023 %**
Attained Group Ltd	United Kingdom	100.00%	100.00%
Attained Group Pty Ltd	Australia	100.00%	100.00%
Attained Pty Ltd	Australia	100.00%	100.00%

Note 32. Contingent liabilities

On 17 March 2023, Cannon Technologies Ltd commenced legal proceedings in the Supreme Court of Western Australia against the Company and Stonegold Enterprises Pty Ltd (Stonegold). Stonegold is the landlord of the Bibra Lake premises, and the Company was joined as the second defendant. The claim involves a dispute about the ownership of certain equipment located at the premises, which pre-dates the Company's lease of the premises. Cannon Technologies claims that it is the owner of the equipment, alleges that the landlord and the Company have refused to return the equipment to Cannon Technologies and seeks various remedies, including damages, against Stonegold and the Company. The Company has denied the claims and is defending the action. Recently the Company and Stonegold negotiated a surrender of the Bibra Lake premises lease whereby the Company would exit from the lease on 18 October 2024 and Stonegold agreed to indemnify the Company against any potential exposure to an award of damages should Cannontech be successful in the proceedings. The Company will also be filing a notice of intention to abide, the effect of which is that the Company will not take any further part in the proceedings and accept any order made by the Court with the benefit of the indemnity from Stonegold.

The Company will provide a further update in due course, including any likely financial impact of a successful claim against the Company. However, the Company considers it will not have a material impact at this stage given the indemnity provided by Stonegold.

The Group has no contingent liabilities at 30 June 2024.

Note 33. Commitments

The Group has no capital and other commitments at 30 June 2024 and 30 June 2023.

Note 34. Events after the reporting period

Board and Management changes:

- Mr. Thomas resigned from his executive role effective from 9 July 2024. Mr. Thomas will remain on the Board in a Non-Executive Director capacity and will receive an annual salary of $36,000 plus superannuation.
- Mr. Sentow became a permanent part-time Chief Financial Officer (**CFO**) effective from 9 July 2024.
- Mr. Liam Gale resigned from his position as Chief Information Officer (**CIO**) effective 31 July 2024.
- Mr. Jesse Gane appointed as Chief Technology Officer (**CTO**) effective from 19 August 2024.

On 8 July 2024, the Company appointed Sandton Capital Advisory to advise and assist the Board on the strategic review outcomes including execution of the key findings and will be paid a fee of $7,500 per month over a 12-month term.

On 12 July 2024, the Company entered into a binding collaboration agreement with 2D Generation Ltd, a prominent international semiconductor IP business incorporated in Israel to generate transformational opportunities in the AI space, leveraging Adisyn's expertise in data centre management, managed IT services, and cybersecurity, alongside 2D Generations' industry-leading capabilities in developing next-generation AI semiconductor solutions.

On 4 September 2024, the Company signed a surrender of lease agreement of its Bibra Lake lease to exit from the lease on 18 October 2024. The Company will undertake the decommissioning and sale of plant and equipment at the Bibra Lake site, the cost of which it expects will be offset by proceeds of sales of the decommissioned plant and equipment.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 35. Key management personnel disclosures

Directors
The following persons were directors of Adisyn Ltd during the financial year:

Shane Wee	Non-Executive Chairman
Blake Burton	Managing Director
Justin Thomas	Executive Director

Note 35. Key management personnel disclosures (continued)

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, during the financial year:

Name	**Position**
Justin Thomas	Chief Technology Officer
Liam Gale	Chief Information Officer (appointed 14 March 2023)
Paul Arch	Chief Operating Officer (appointed 14 March 2023)
Jesper Sentow	Chief Financial Officer (appointed 16 June 2023)

Compensation
The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	30 June 2024 $	**30 June 2023 $**
Short-term employee benefits	704,016	780,459
Post-employment benefits	75,237	73,940
Long-term benefits	-	12,807
Share-based payments	159,663	15,897
	938,916	883,103

Note 36. Related party transactions

Parent entity
Adisyn Ltd is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in **note 31**.

Key management personnel
Disclosures relating to key management personnel are set out in **note 35** and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties - Key Management Personnel of the Company comprises the Board and key executive management staff.:

	30 June 2024 $	**30 June 2023 $**
Payment for goods and services:		
Payment for services from Sommersted Enterprises Pty Ltd *****	171,150	9,600
Other transactions:		
Trevor Thomas – employee (gross salary plus super) **	15,797	27,252
Linley Thomas – employee (gross salary plus super) **	-	3,146
Rebecca Thomas - employee (gross salary plus super) ***	76,032	113,548

* The related parties are the parents of Justin Thomas, Director and CTO.
** The related party is the spouse of Justin Thomas Director and CTO.
*** Sommersted Enterprises Pty Ltd, of which Jesper Sentow is a director, received $141,150 plus GST (30 June 2023: $9,600) of which $30,000 was paid in lieu of shares during the year for the CFO services.

Note 36. Related party transactions (continued)

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
The following balances are outstanding at the reporting date in relation to loans with related parties:

	30 June 2024 $	Company 30 June 2022 $
Current borrowings:		
Loan from Blake Burton[1]	118,439	205,487
Loan from Blake Burton[2]	181,000	-
Loan from Shane Wee	120,000	-
Loan from Justin Thomas	60,000	-
Non-current borrowings:[2]		
Loan from Blake Burton	-	181,000
Loan from Justin Thomas	-	120,000
Loan from Shane Wee	53,836	60,000

[1]The Company has entered into a short-term loan agreement with its Managing Director, Mr Blake Burton on 27 February 2023 and amended on 15 December 2023. Under the Agreement. Mr Burton has agreed to advance the Company $200,000 with a further $50,000 standby credit available that may be drawn down if required by the Company. The Loan Agreement is repayable by 31 December 2025 or may otherwise be converted into shares in the Company, subject to shareholder approval. The Loan Agreement accrues interest at a rate of 10% p.a.

[2] The amount due to related party is non-trade, unsecured and repayable by 1 March 2025.

Interests of KMP in subsidiaries

Name of related party	Nature of relationship	Nature of related party transactions
Blake Burton	Managing Director	Director of Attained
Burton Capital Holdings Pty Ltd	relation to Blake Burton	Attained acquisition
Liam Gale	Chief Information Officer	Director of Attained
Aviso IT	relation to Liam Gale	Attained acquisition
Paul Arch	Chief Operating Officer	Director of Attained
Esidium Group	relation to Paul Arch	Attained acquisition

Paul Arch (**COO**) and Liam Gale (**CIO**) became KMP on 14 March 2023 as a result of the acquisition of Attained. They both subsequently resigned as Directors of Attained on 2 August 2023 and 28 July 2023 respectively.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 37. Share-based payments

The share-based payment reserve arises from share options issued to directors and employees under the terms and conditions set out in the relevant offer letters and share options issued to a corporate adviser under the terms and conditions set out in their mandate letter.

Note 37. Share-based payments (continued)

Set out below are summaries of options granted under the plan:

	Number of options 30 June 2024	Weighted average exercise price 30 June 2024	Number of options 30 June 2023	Weighted average exercise price 30 June 2023
Outstanding at the beginning of the financial year	26,045,792	$0.304	23,483,292	$0.325
Granted	5,000,000	$0.050	2,562,500	$0.110
Expired	(16,333,292)	$0.034	-	$0.000
Outstanding at the end of the financial year	14,712,500	$0.168	26,045,792	$0.304

30 June 2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
15/09/2020	06/11/2024	$0.25	1,200,000	-	-	-	1,200,000
15/09/2020	10/11/2024	$0.25	2,950,000	-	-	-	2,950,000
15/09/2020	31/07/2024	$0.30	2,000,000	-	-	-	2,000,000
24/04/2021	07/05/2024	$0.50	4,000,000	-	-	(4,000,000)	-
26/11/2021	20/12/2025	$0.60	1,000,000	-	-	-	1,000,000
26/11/2021	26/11/2023	$0.30	4,000,000	-	-	(4,000,000)	-
26/11/2021	25/11/2023	$0.30	8,000,000	-	-	(8,000,000)	-
26/11/2021	25/11/2023	$0.30	333,292	-	-	(333,292)	-
30/11/2022	30/11/2024	$0.11	2,562,500	-	-	-	2,562,500
28/06/2024	28/06/2025	$0.05	-	5,000,000	-	-	5,000,000
			26,045,792	5,000,000	-	(16,333,292)	14,712,500
Weighted average exercise price			$0.304	$0.050	$0.000	$0.349	$0.168

30 June 2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
15/09/2020	06/11/2024	$0.25	1,200,000	-	-	-	1,200,000
15/09/2020	10/11/2024	$0.25	2,950,000	-	-	-	2,950,000
15/09/2020	31/07/2024	$0.30	2,000,000	-	-	-	2,000,000
24/04/2021	07/05/2024	$0.50	4,000,000	-	-	-	4,000,000
26/11/2021	20/12/2025	$0.60	1,000,000	-	-	-	1,000,000
26/11/2021	26/11/2023	$0.30	4,000,000	-	-	-	4,000,000
26/11/2021	25/11/2023	$0.30	8,000,000	-	-	-	8,000,000
26/11/2021	25/11/2023	$0.30	333,292	-	-	-	333,292
30/11/2022	30/11/2024	$0.11	-	2,562,500	-	-	2,562,500
			23,483,292	2,562,500	-	-	26,045,792
Weighted average exercise price			$0.325	$0.110	$0.000	$0.000	$0.304

Note 37. Share-based payments (continued)

Set out below are the options exercisable at the end of the financial year:

Grant date	Expiry date	30 June 2024 Number	30 June 2023 Number
26/11/2021	25/11/2025	-	500,000

The weighted average remaining contractual life of options outstanding at the end of the financial year was 0.6 years (30 June 2023: 1.29 years).

Set out below are summaries of performance rights granted under the plan:

	Number of rights 30 June 2024	Weighted average exercise price 30 June 2024	Number of rights 30 June 2023	Weighted average exercise price 30 June 2023
Outstanding at the beginning of the financial year	4,000,000	$0.000	-	$0.000
Granted	12,000,003	$0.000	4,000,000	$0.000
Forfeited	(500,003)	$0.000	-	$0.000
Expired	-	$0.000	-	$0.000
Outstanding at the end of the financial year	15,500,000	$0.000	4,000,000	$0.000

30 June 2024

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
08/03/2023	31/12/2025	$0.000	2,000,000	-	-	-)	2,000,000
08/03/2023	31/12/2026	$0.000	2,000,000	-	-	-)	2,000,000
05/07/2023	01/07/2026	$0.000	-	2,000,000	-	(500,000)	1,500,000
18/07/2023	31/12/2024	$0.000	-	2	-	(2)	-
18/07/2023	31/12/2025	$0.000	-	1	-	(1)	-
30/11/2023	31/12/2025	$0.000	-	5,000,000	-	-	5,000,000
14/05/2024	01/08/2025	$0.000	-	5,000,000	-	-	5,000,000
			4,000,000	12,000,003	-	(500,003)	15,500,000

30 June 2023

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
05/01/2023	31/12/2025	$0.000	2,000,000	-	-	-	2,000,000
05/01/2023	31/12/2026	$0.000	2,000,000	-	-	-	2,000,000
			4,000,000	-	-	-	4,000,000

The weighted average remaining contractual life of performance rights outstanding at the end of the financial 30 June 2024 was1.47 years (30 June 2023:3 years).

Note 37. Share-based payments (continued)

For the performance rights and options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

On 5 July 2023, the Company issued 2,000,000 performance rights to four non-KMP respectively to incentivize and retain. The performance rights vesting conditions subject to 2 years of service and achieving share price based on the 30th day VWAP. Total share-based expense recognised at 30 June 2024 is $2,383 of which, Management has assessed 80% probability of Tranche 2 rights is achievable. Detailed of the conditions as below.

	Tranche 1 Performance Rights	**Tranche 1 Performance Rights**	**Tranche 1 Performance Rights**	**Tranche 1 Performance Rights**	**Tranche 2 Performance Rights**	**Tranche 2 Performance Rights**	**Tranche 2 Performance Rights**	**Tranche 2 Performance Rights**
Methodology	Monte-Carlo	Monte-Carlo	Monte-Carlo	Monte-Carlo	Black-Scholes	Black-Scholes	Black-Scholes	Black-Scholes
Iterations	100,000	100,000	100,000	100,000	N/A	N/A	N/A	N/A
Grant date	21 May 2023	1 July 2023	1 July 2023	1 July 2023	21 May 2023	1 July 2023	1 July 2023	1 July 2023
Vesting date	30 June 2025	30 June 2025	30 June 2025	30 June 2025	30 June 2025	30 June 2025	30 June 2025	30 June 2025
Expiry date	30 June 2025	30 June 2025	30 June 2025	30 June 2025	30 June 2025	30 June 2025	30 June 2025	30 June 2025
Spot price	$0.018	$0.020	$0.020	$0.020	$0.018	$0.020	$0.020	$0.020
Exercise price	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Risk-free rate	3.271%	3.865%	3.865%	3.865%	3.271%	3.865%	3.865%	3.865%
Volatility	80.75%	84.60%	84.60%	84.60%	80.75%	84.60%	84.60%	84.60%
Dividend Yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Number	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
Value per PR	$0.0023	$0.0034	$0.0034	$0.0034	$0.0018	$0.020	$0.020	$0.020
Total fair value	$583	$849	$849	$849	$4,500	$5,000	$5,000	$5,000

On 30 November 2023, the following performance rights were granted to KMP, the valuation model inputs used to determine the fair value at the grant date, are as follows:

	Tranche 1 Performance Rights	**Tranche 2 Performance Rights**
Recipient	**Blake Burton**	**Blake Burton**
Methodology	Monte-Carlo	Black-Scholes
Iterations	100,000	N/A
Grant date	30 November 2023	30 November 2023
Vesting date	30 September 2025	30 September 2025
Expiry date	31 December 2025	31 December 2025
Spot price	$0.023	$0.023
Exercise price	Nil	Nil
Risk-free rate	4.021%	4.021%
Volatility	92.13%	92.13%
Dividend Yield	Nil	Nil
Number	3,000,000	2,000,000
Value per PR	$0.0076	$0.023
Total fair value	$22,665	$46,000
Total share-based payment recognised at 30 June 2024	$4,248	$8,621

On 14 May 2024, the shareholders approved at the General Meeting to issue the following performance rights and options.

Note 37. Share-based payments (continued)

Methodology	Number	Grant date	Expiry date	Share price at grant date ($)	Exercise price ($)	Risk-free rate %	Volatility %	Value per performance right	Total fair value
Black Scholes	2,500,000	14/05/2024	01/08/2025	$0.018	$0.00	3.931%	75.00%	0.0180	$45,000
Black Scholes	2,500,000	14/05/2024	01/08/2025	$0.018	$0.00	3.931%	75.00%	0.0180	$45,000
Black Scholes	5,000,000	14/05/2024	01/08/2025	$0.018	$0.05	3.931%	75.00%	0.0010	$4,886

Security	Recipients	Number	Details	Vesting Conditions
Tranche 1 Performance rights	Gamelli	2,500,000	Unlisted performance rights issued for nil consideration, each exercisable into one ordinary share at any time between meeting both vesting conditions and the expiry date.	- Implementation of Cyber/Defence Advisory Board of the Company, to include a minimum of 2 members of the Advisory Board, with each member having been recommended and/or introduced by Gamelli; and -providing 6 months of service to the Advisory Board.
Tranche 2 Performance rights	Gamelli	2,500,000	Unlisted performance rights issued for nil consideration, each exercisable into one ordinary share at any time between meeting either vesting condition and the expiry date.	- A minimum of A$500,000 successful investment in the Company from a mutually agreed new strategic investor introduced by Gamelli; or -the Company executing a sales contract with third party customers introduced by Gamelli with a lifetime value not exceeding 3 years of at least a combined total of A$500,000 over the lifetime of the contracts.
Options	AQR	5,000,000	Unlisted options issued for nil consideration, each exercisable into one ordinary share at any time between meeting either vesting condition and the expiry date.	N/A

Accounting policy for share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

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

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

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

Note 37. Share-based payments (continued)

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

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

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

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

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

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

Note 38. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Hall Chadwick, the auditor of the Company:

	30 June 2024 $	30 June 2023 $
Audit services - Hall Chadwick		
Audit or review of the financial statements	62,000	48,000

Note 39. Earnings per share

	30 June 2024 $	30 June 2023 $
Earnings per share for loss from continuing operations		
Loss after income tax	(1,427,677)	(2,216,244)
Loss after income tax attributable to the owners of Adisyn Ltd	(1,427,677)	(2,216,244)
Loss after income tax attributable to the owners of Adisyn Ltd used in calculating diluted earnings per share	(1,427,677)	(2,216,244)

	Cents	Cents
Basic earnings per share	(1.42)	(2.19)
Diluted earnings per share	(1.42)	(2.19)

Note 39. Earnings per share (continued)

	30 June 2024 $	30 June 2023 $
Earnings per share for profit/(loss) from discontinued operations		
Profit/(loss) after income tax	(270,818)	475,681
Non-controlling interest	-	-
Profit/(loss) after income tax attributable to the owners of Adisyn Ltd	(270,818)	475,681
Profit/(loss) after income tax attributable to the owners of Adisyn Ltd used in calculating diluted earnings per share	(270,818)	475,681

	Cents	Cents
Basic earnings per share	(0.27)	0.47
Diluted earnings per share	(0.27)	0.47

	Number	Number
Weighted average number of ordinary shares		
Weighted average number of ordinary shares used in calculating basic earnings per share	100,445,810	101,408,651
Adjustments for calculation of diluted earnings per share:		
Weighted average number of ordinary shares used in calculating diluted earnings per share	100,445,810	101,408,651

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

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

Note 40. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	30 June 2024 $	30 June 2023 $
Loss after income tax	(3,109,637)	(2,062,347)
Total comprehensive income	(3,109,637)	(2,062,347)

Note 40. Parent entity information (continued)

Statement of financial position

	30 June 2024 $	30 June 2023 $
Total current assets	2,411,108	3,524,234
Total assets	4,558,826	7,342,481
Total current liabilities	2,734,633	3,303,969
Total liabilities	4,207,049	5,653,024
Equity		
Issued capital	11,324,454	9,586,035
Share-based payments reserve	2,729,415	2,695,875
Accumulated losses	(13,702,092)	(10,592,453)
Total equity	351,777	1,689,457

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024 and 30 June 2023.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment as at 30 June 2024 and 30 June 2023.

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Adisyn Ltd	Body Corporate	Australia	100.00%	Australia
Attained Pty Ltd	Body Corporate	Australia	100.00%	Australia
Adisyn Cyber Pty Ltd	Body Corporate	Australia	100.00%	Australia
Attained Group Limited	Body Corporate	United Kingdom	100.00%	United Kingdom

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in **note 2** to the financial statements;

- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;

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

- the information disclosed in the attached consolidated entity disclosure statement is true and correct.

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

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

On behalf of the directors

____
Blake Burton
Managing Director

27 September 2024

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ADISYN LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Adisyn Limited ("the Company") and its subsidiaries ("the Consolidated Entity"), 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, and notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the director's declaration.

In our opinion:

a. the accompanying financial report of the Consolidated Entity is in accordance with the Corporations Act 2001, including:

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

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

b. the financial report also complies with International Financial Reporting Standards as disclosed in Note 2.

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 Consolidated Entity in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the financial report which indicates that the Consolidated Entity incurred a net loss of $1,698,495 during the year ended 30 June 2024. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. Our opinion is not modified in this respect of this matter.

Key Audit Matters

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

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue Recognition During the year ended 30 June 2024, the Consolidated Entity generated sales revenue of $5,495,434 (2023: $2,675,217). Revenue recognition has been included as a key focus area in the audit report due to its financial significance and the increase in revenue during the year.	We reviewed the Consolidated Entity's revenue accounting policy and their contracts with customers and considered how management: • Identified the contract • Identified the performance obligations within the contracts; • Determined the transaction price; • Allocated the transaction price to the performance obligations • Recognised revenue when the performance obligation was satisfied In addition to the above our procedures amongst others included: • Understanding the policies and procedures applied to the sales process and their application to revenue recognition; and • Performing substantive audit procedures on a sample basis by verifying revenue to relevant supporting documentation, verification of cash receipts for goods and ensuring the revenue was recognised at the appropriate time and classified correctly.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Consolidated Entity'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 the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error, and the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error. In Note 2, the directors also state in accordance with Australian Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial report complies with International Financial Reporting Standards.

In preparing the financial report, the directors are responsible for assessing the Consolidated Entity's ability 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 Consolidated Entity or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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 Consolidated Entity'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 Consolidated Entity'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 Consolidated Entity 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Consolidated Entity to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Consolidated Entity audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 30 June 2024. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

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

Hall Chadwick

HALL CHADWICK WA AUDIT PTY LTD

Mark Delaurentis

MARK DELAURENTIS CA
Director

Dated in Perth, Western Australia this 27th day of September 2024

The shareholder information set out below is applicable as at 18 September 2024.

CORPORATE GOVERNANCE STATEMENT

The Company's Corporate Governance Statement has been released as a separate document and is also located on our website at https://adisyn.com.au/investor-centre

ORDINARY SHARE CAPITAL

231,132,002 fully paid ordinary shares are held by 1,091 holders.

VOTING RIGHTS

The voting rights of the ordinary shares are as follows:

Subject to any rights or restrictions for the time being attached to any shares or class of shares of the Company, each member of the Company is entitled to receive notice of, attend and vote at a general meeting. Resolutions of members will be decided by a show of hands unless a poll is demanded. On a show of hands each eligible voter present has one vote. However, where a person present at a general meeting represents personally or by proxy, attorney or representation more than one member, on a show of hands the person is entitled to one vote only despite the number of members the person represents.

On a poll each eligible member has one vote for each fully paid share held.

There are no voting rights attached to any of the options that the Company currently has on issue. Upon exercise of these options, the shares issued will have the same voting rights as existing ordinary shares.

TWENTY LARGEST SHAREHOLDERS

The names of the twenty largest holders of each class of listed securities are listed below:

Ordinary Fully Paid Shares

	Name	Holding	Percentage
1	FINCLEAR SERVICES PTY LTD <SUPERHERO SECURITIES A/C>	17,070,448	7.39%
2	BURTON CAPITAL HOLDINGS PTY LTD <BURTON INVESTMENT A/C>	16,416,028	7.10%
3	THOMAS FAMILY HOLDINGS PTY LTD	14,578,396	6.31%
4	GA SKYLIGHT PTE LTD	12,511,226	5.41%
5	MR MICHAEL ARCH	9,725,826	4.21%
6	JDE CAPITAL PTY LTD <JDE CAPITAL A/C>	5,662,926	2.45%
7	CITICORP NOMINEES PTY LIMITED	5,029,614	2.18%
8	APPWAM PTY LTD	4,892,806	2.12%
9	MARK FRANCIS DIGNAM	4,518,598	1.95%
10	GEMELLI NOMINEES PTY LTD <GEMELLI FAMILY A/C>	4,500,000	1.95%
11	SKYLINE CORPORATION PTY LTD	4,344,975	1.88%
12	FSF GROUP PTY LTD	3,319,075	1.44%
13	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	2,900,000	1.25%
14	OOFY PROSSER PTY LTD <DRONES FAMILY A/C>	2,872,710	1.24%
15	MR MICHAEL ZOLLO	2,700,000	1.17%
16	MR KOBI BEN SHABATH	2,300,000	1.00%
17	MR SHANE HOEHOCK WEE <WEE FAMILY A/C>	2,175,000	0.94%
18	KINGSTON NOMINEES PTY LTD	1,905,781	0.82%
19	MR BRADLEY PAUL GOODSELL	1,663,274	0.72%
20	MR ORI ACKERMAN	1,650,000	0.71%
	Total top 20	**120,736,683**	**52.24%**
	Others	110,395,319	47.76%
	Total ordinary shares on issue	**231,132,002**	**100.00%**

SUBSTANTIAL HOLDERS

The Company has three substantial shareholders as at 18 September 2024.

Holder Name	Holding	% IC
BURTON CAPITAL HOLDINGS PTY LTD <BURTON INVESTMENT A/C>	16,416,028	7.10%
THOMAS FAMILY HOLDINGS PTY LTD	14,578,396	6.31%
GA SKYLIGHT PTE LTD	12,511,226	5.41%
ESIDIUM GROUP PTY LTD ATF P&G ARCH FAMILY TRUST	14,910,607	6.45%

DISTRIBUTION OF EQUITY SECURITIES

Ordinary Fully Paid Shares

Holding Ranges	Holders	Total Units	% Issued Share Capital
1 - 1,000	37	14,081	0.01
1,001 - 5,000	288	769,545	0.33
5,001 - 10,000	149	1,195,483	0.52
10,001 - 100,000	344	13,966,557	6.04
100,001 – and over	234	215,186,336	93.10
Totals	**1,052**	**231,132,002**	**100.00%**

UMARKETABLE PARCELS

Holdings of less than a marketable parcel of ordinary shares:
Holders: 515

RESTRICTED SECURITIES

As at 18 September 2024, the following restricted securities are on issue:

13,911,182 Fully Paid Ordinary Shares escrowed 24 months from issue, releasing 31/03/2025 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
BURTON CAPITAL HOLDINGS PTY LTD <BURTON INVESTMENT A/C>	13,911,182	100%

UNQUOTED SECURITIES

As at 18 September 2024, the following unquoted securities are on issue:

	Number on issue	Number of holders
Options expiring 06/11/2024 @ $0.25	2,950,000	4
Options expiring 10/11/2024 @ $0.25	1,200,000	7
Options expiring 30/11/2024 @ $0.11	2,562,500	5
Options expiring 20/12/2025 @ $0.60	1,000,000	1
Options expiring 28/06/2025 @ $0.05	5,000,000	9
Performance Rights exp 31/12/2025	1,000,000	1
Performance Rights exp 31/12/2025	1,000,000	1
Performance Rights exp 01/07/2026	750,000	3
Performance Rights exp 01/07/2026	750,000	3
Performance Rights exp 31/12/2025	3,000,000	1
Performance Rights exp 31/12/2025	2,000,000	1
Performance Rights exp 01/08/2025	2,500,000	1
Performance Rights exp 01/08/2025	2,500,000	1

2,950,000 Options expiring 10/11/2024 @ $0.25 – 4 Holders

Holders with more than 20%

Holder Name	Holding	% IC
CALE CONSULTING PTY LTD	1,200,000	40.68
BURTON CAPITAL HOLDINGS PTY LTD <BURTON INVESTMENT A/C>	1,000,000	33.90

1,200,000 Options expiring 06/11/2024 @ $0.25 – 7 Holders

Holders with more than 20%

Holder Name	Holding	% IC
Spring Sydney Pty Ltd	300,000	25.00%

2,562,500 Options expiring 30/11/2024 @ $0.11 – 5 Holders

Holders with more than 20%

Holder Name	Holding	% IC
GA SKYLIGHT PTE LTD	1,000,000	39.02%

1,000,000 Options expiring 20/12/2025 @ $0.60 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
Shane Hoehock Wee	1,000,000	100.00%

5,000,000 Options expiring 28/06/2025 @ $0.0.05 – 9 Holders

Holders with more than 20%

Holder Name	Holding	% IC
CAMPANIA INVESTMENT HOLDINGS PTY LTD <NO1 A/C>	1,600,000	32.00
MR KWOK KA MING	1,000,000	20.00

1,000,000 Performance Rights expiring 31/12/2025 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
ESIDIUM GROUP PTY LTD<P & G ARCH FAMILY A/C>	1,000,000	100.00%

1,000,000 Performance Rights expiring 31/12/2026 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
ESIDIUM GROUP PTY LTD<P & G ARCH FAMILY A/C>	1,000,000	100.00%

500,000 Performance Rights expiring 01/07/2026 – 2 Holders

Holders with more than 20%

Holder Name	Holding	% IC
JAMES MERCER	250,000	50.00%
LEWIS JOEL CARPENTER	250,000	50.00%

500,000 Performance Rights expiring 01/07/2026 – 2 Holders

Holders with more than 20%

Holder Name	Holding	% IC
JAMES MERCER	250,000	50.00%
LEWIS JOEL CARPENTER	250,000	50.00%

3,000,000 Performance Right expiring 31/12/2025 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
BURTON CAPITAL HOLDINGS PTY LTD <BURTON INVESTMENT A/C>	3,000,000	100.00%

2,000,000 Performance Right expiring 31/12/2025 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
BURTON CAPITAL HOLDINGS PTY LTD <BURTON INVESTMENT A/C>	3,000,000	100.00%

2,500,000 Performance Right expiring 01/08/2025 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
GEMELLI NOMINEES PTY LTD <GEMELLI FAMILY A/C>	2,500,000	100.00%

2,500,000 Performance Right expiring 01/08/2025 – 1 Holder

Holders with more than 20%

Holder Name	Holding	% IC
GEMELLI NOMINEES PTY LTD <GEMELLI FAMILY A/C>	2,500,000	100.00%

ON-MARKET BUY BACK

There is currently no on-market buyback program.