

Addverb Technologies Pty Limited

**Financial Statement
2022-23**

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF ADDVERB TECHNOLOGIES PTY LIMITED

Unqualified Opinion

We have audited the financial statements of Addverb Technologies Pty Limited, which comprises the statement of financial position as 31 March, 2023, the statement of profit or loss and other comprehensive income, cash flow statement for the year then ended and notes to financial statements including a summary of significant accounting policies and the declaration by those charged with governance.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Addverb Technologies Pty Limited as at 31 March, 2023 and financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Responsibilities of the Directors for the financial report

The directors are responsible for the preparation and fair presentation of the financial report that gives a true and fair view and have determined the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the Australian Accounting Standards and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the members either intend to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility

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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements 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 of our opinion. The risk of not detecting 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 board's internal control.

Addverb Technologies Pty Limited**Independent auditor's report to the members of Addverb Technologies Pty Limited**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by members.
- Conclude on the appropriateness of the company's use of going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieved fair representation.

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.

Watkins & Associates Accountancy and Assurance
Chartered Accountants

Richard Watkins FCA | Principal
Registered Auditor (Required by registered organizations commission) number AA2022/4

Dated : 14th of April, 2023

**Addverb Technologies Pty Limited
Auditor's independence declaration**

**ADDVERB TECHNOLOGIES PTY LIMITED
AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001**

I declare that, to the best of my knowledge and belief, during the year ended 31 March 2023 there have been:

- i. no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and
- ii. no contraventions of any applicable code of professional conduct in relation to the audit.

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**Richard Watkins, FCA - Principal
Watkins & Associates Accountancy and Assurance**

Dated : 14th April, 2023

Addverb Technologies Pty Limited
Statement of financial position
As at 31 March 2023

	Note	31 st March 2023 \$	31 st March 2022 \$
Assets			
Current assets			
Cash and cash equivalents	5	817,525	442,992
Trade and other receivables	6	1,737,875	2,647,200
Inventories	7	6,165	223,760
Other	8	2,999,667	3,856,325
Total current assets		<u>5,561,232</u>	<u>7,170,277</u>
Non-current assets			
Property, plant and equipment	9	6,104	9,973
Total non-current assets		<u>6,104</u>	<u>9,973</u>
Total assets		<u>5,567,336</u>	<u>7,180,250</u>
Liabilities			
Current liabilities			
Trade and other payables	10	433,795	3,190,087
Borrowings	11	-	3,040,000
Income tax	12	-	239,639
Total current liabilities		<u>433,795</u>	<u>6,469,726</u>
Total liabilities		<u>433,795</u>	<u>6,469,726</u>
Net assets		<u>5,133,541</u>	<u>710,524</u>
Equity			
Issued capital	13	7,433,907	175,000
Retained profits/(accumulated losses)	14	<u>(2,300,366)</u>	<u>535,524</u>
Total equity		<u>5,133,541</u>	<u>710,524</u>

Addverb Technologies Pty Limited
Statement of profit or loss and other comprehensive income
For the year ended 31 March 2023

	Note	31 st March 2023 \$	31 st March 2022 \$
Revenue	3	3,925,979	17,000,348
Expenses			
Cost of sales		(3,180,576)	(15,130,663)
Depreciation		(3,943)	(2,711)
Employee benefits expense		(2,123,720)	(618,736)
Consultancy		(185,547)	(100,196)
Contract for Deployment		(632,591)	-
Other expenses		(520,197)	(289,956)
Finance costs		(113,965)	(59,289)
Profit/(loss) before income tax expense		(2,834,560)	798,797
Income tax expense	4	(1,330)	(239,639)
Profit/(loss) after income tax expense for the year attributable to the owners of Addverb Technologies Pty Limited	14	(2,835,890)	559,158
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Addverb Technologies Pty Limited		<u>(2,835,890)</u>	<u>559,158</u>

Addverb Technologies Pty Limited
Statement of changes in equity
For the year ended 31 March 2023

	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 April 2021	175,000	(23,634)	151,366
Profit after income tax expense for the year	-	559,158	559,158
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	559,158	559,158
Balance at 31 March 2022	<u>175,000</u>	<u>535,524</u>	<u>710,524</u>
	Issued capital \$	Retained profits \$	Total equity \$
Balance at 1 April 2022	175,000	535,524	710,524
Loss after income tax expense for the year	-	(2,835,890)	(2,835,890)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	(2,835,890)	(2,835,890)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 13)	<u>7,258,907</u>	-	<u>7,258,907</u>
Balance at 31 March 2023	<u>7,433,907</u>	<u>(2,300,366)</u>	<u>5,133,541</u>

Addverb Technologies Pty Limited
Statement of cash flows
For the year ended 31 March 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		6,101,578	10,528,217
Payments to suppliers and employees (inclusive of GST)		<u>(9,555,584)</u>	<u>(13,081,048)</u>
		(3,454,006)	(2,552,831)
Other revenue		2,131	8
Interest and other finance costs paid		(151,457)	(13,034)
Income taxes paid		<u>(240,969)</u>	<u>-</u>
Net cash used in operating activities		<u>(3,844,301)</u>	<u>(2,565,857)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	9	(73)	(11,151)
Payments for security deposits		-	(20,000)
Loans from/(to) related and other parties		<u>(3,040,000)</u>	<u>3,040,000</u>
Net cash from/(used in) investing activities		<u>(3,040,073)</u>	<u>3,008,849</u>
Cash flows from financing activities			
Proceeds from issue of shares	13	<u>7,258,907</u>	<u>-</u>
Net cash from financing activities		<u>7,258,907</u>	<u>-</u>
Net increase in cash and cash equivalents		374,533	442,992
Cash and cash equivalents at the beginning of the financial year		<u>442,992</u>	<u>-</u>
Cash and cash equivalents at the end of the financial year	5	<u><u>817,525</u></u>	<u><u>442,992</u></u>

Addverb Technologies Pty Limited
Notes to the financial statements
For the year ended 31 March 2023

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The company 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.

Basis of preparation

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

Historical cost convention

The financial statements have been prepared under the historical cost convention.

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 company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The company recognises revenue as follows:

Revenue from contracts with customers

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

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

Sale of goods

Revenue is recognised when the Company satisfies a performance obligation by transferring the promised goods to the customer. The goods are transferred when the customer obtains control of the goods.

Software and other services

The Company provides services in design and build robotics and warehouse automation, other software and programming systems for customers through fixed-price contracts. Contract revenue is recognised when the Company's performance creates or enhances an asset that the customer controls as the asset is being created or enhanced.

Revenue from these contracts are recognised over time using the input method or output method respectively based on each performance obligation, to measure progress towards complete satisfaction of the contract obligations, and the Company has a right to consideration from customers in an amount that corresponds directly with the performance completed to date.

Addverb Technologies Pty Limited
Notes to the financial statements
For the year ended 31 March 2023

Note 1. Significant accounting policies (continued)

Composite contract comprising goods, installation and commissioning and software

Revenue from these contracts are recognised over time using the input method or output method respectively based on each performance obligation, to measure progress towards complete satisfaction of the contract obligations, and the Company has a right to consideration from customers in an amount that corresponds directly with the performance completed to date.

Input method recognise revenue over time by reference to the Company's progress, which is measured by comparing the actual costs incurred on the project with the total estimated costs expected to complete the project.

Output method recognise revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Output method include methods such as appraisals of results achieved, milestones reached, time elapsed and units produced or units delivered.

The Company apply a single method of measuring progress for each performance obligation satisfied over time depending upon the essence of the contract and the Company apply that method consistently to similar performance obligations and in similar circumstances. At the end of each reporting period, the Company remeasure its progress towards complete satisfaction of a performance obligation satisfied over time.

Contract modifications that do not add distinct goods or services are accounted for as continuation of the original contract and the change is recognised as a cumulative adjustment to revenue at the date of modification.

Estimates of revenue, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in the profit or loss in the period in which the circumstances that give rise to the revision become known by management.

The period between the completion of work and payment by the customer may exceed one year. For such contracts, there is no significant financing component present as the payment terms is an industry practice to protect customers from the performing entity's failure to adequately complete some or all of its obligations under the contract. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

If the value of the goods transferred by the Company exceeds the payments, a contract asset is recognised. If the payments exceed the value of the goods transferred, a contract liability is recognised.

Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and the conditions attached to the grant will be complied with. Grants related to income are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grant is intended to compensate.

Interest

Interest revenue is recognised as received.

Other revenue

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

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Addverb Technologies Pty Limited
Notes to the financial statements
For the year ended 31 March 2023

Note 1. Significant accounting policies (continued)

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification

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

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

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

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

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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 30 days.

The company 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.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Inventories

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

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

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

Addverb Technologies Pty Limited
Notes to the financial statements
For the year ended 31 March 2023

Note 1. Significant accounting policies (continued)

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

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.

Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30-90 days of recognition.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

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.

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.

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.

Issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Addverb Technologies Pty Limited
Notes to the financial statements
For the year ended 31 March 2023

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Note 3. Revenue

	2023	2022
	\$	\$
<i>Revenue from contracts with customers</i>		
Sales	3,923,848	16,999,533
<i>Other revenue</i>		
Other revenue	2,131	815
Revenue	<u>3,925,979</u>	<u>17,000,348</u>

Note 4. Income tax expense

	2023	2022
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit/(loss) before income tax expense	(2,834,560)	798,797
Tax at the statutory tax rate of 30%	(850,368)	239,639
Temporary/permanent differences	850,368	-
Under Provision for tax from prior year	1,330	-
Income tax expense	<u>1,330</u>	<u>239,639</u>

Note 5. Current assets - cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank	<u>817,525</u>	<u>442,992</u>

Note 6. Current assets - trade and other receivables

	2023	2022
	\$	\$
Trade receivables	1,651,966	2,563,461
Other receivables	79,108	14,222
BAS receivable	6,801	69,517
	<u>1,737,875</u>	<u>2,647,200</u>

Addverb Technologies Pty Limited
Notes to the financial statements
For the year ended 31 March 2023

Note 7. Current assets - inventories

	2023 \$	2022 \$
Stock in transit - at cost	6,165	223,760

Note 8. Current assets - other

	2023 \$	2022 \$
Accrued revenue	2,946,927	3,824,923
Prepayments	32,740	11,402
Security deposits	20,000	20,000
	<u>2,999,667</u>	<u>3,856,325</u>

Note 9. Non-current assets - property, plant and equipment

	2023 \$	2022 \$
Fixtures and fittings - at cost	271	271
Less: Accumulated depreciation	(47)	(22)
	<u>224</u>	<u>249</u>
Computer equipment - at cost	12,306	12,233
Less: Accumulated depreciation	(6,544)	(2,662)
	<u>5,762</u>	<u>9,571</u>
Office equipment - at cost	180	180
Less: Accumulated depreciation	(62)	(27)
	<u>118</u>	<u>153</u>
	<u>6,104</u>	<u>9,973</u>

Reconciliations

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

	Fixtures and fittings \$	Computer equipment \$	Office equipment \$	Total \$
Balance at 1 April 2022	249	9,571	153	9,973
Additions	-	73	-	73
Depreciation expense	(25)	(3,882)	(35)	(3,942)
Balance at 31 March 2023	<u>224</u>	<u>5,762</u>	<u>118</u>	<u>6,104</u>

Note 10. Current liabilities - trade and other payables

	2023 \$	2022 \$
Trade payables	282,508	2,823,367
Other payables	151,287	366,720
	<u>433,795</u>	<u>3,190,087</u>

Addverb Technologies Pty Limited
Notes to the financial statements
For the year ended 31 March 2023

Note 11. Current liabilities - borrowings

	2023 \$	2022 \$
Loan from parent company	-	3,040,000

Note 12. Current liabilities - income tax

	2023 \$	2022 \$
Provision for income tax	-	239,639

Note 13. Equity - issued capital

	2023 Shares	2022 Shares	2023 \$	2022 \$
Ordinary shares - fully paid	31,151	17,500	7,433,907	175,000

Ordinary shares

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

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 14. Equity - retained profits/(accumulated losses)

	2023 \$	2022 \$
Retained profits/(accumulated losses) at the beginning of the financial year	535,524	(23,634)
Profit/(loss) after income tax expense for the year	(2,835,890)	559,158
Retained profits/(accumulated losses) at the end of the financial year	(2,300,366)	535,524

Note 15. Equity - dividends

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

Note 16. Key management personnel disclosures

Compensation

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

	2023 \$	2022 \$
Aggregate compensation (Gross)	250,000	192,000

Note 17. Contingent liabilities

There were no contingent liabilities as at 31 March 2023 and 31 March 2022.

Addverb Technologies Pty Limited
Notes to the financial statements
For the year ended 31 March 2023

Note 18. Commitments

There were no commitments as at 31 March 2023 and 31 March 2022.

Note 19. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 16.

Transactions with related parties

The following transactions occurred with related parties:

	2023	2022
	\$	\$
Payment for goods and services:		
Purchase of Goods and services from Addverb Technologies Ltd	773,959	8,614,613
Purchase of services from Addverb Technologies Pte Ltd	13,833	13,971
Payment for other expenses:		
Interest to Addverb Technologies Ltd	50,628	57,109
Interest to Addverb Technologies USA Inc	63,336	-
Other expenses to Addverb Technologies Ltd	-	725

Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	2023	2022
	\$	\$
Current receivables:		
Trade and Current Receivables from Addverb Technologies Ltd	390,408	-
Current payables:		
Trade payables to Addverb Technologies Ltd	162,190	2,357,400
Trade payables to Addverb Technologies Pte Ltd	5,635	206
Interest payable to Addverb Technologies Ltd	-	37,492

Loans to/from related parties

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

	2023	2022
	\$	\$
Current borrowings:		
Loan from Addverb Technologies Ltd	-	3,040,000

Terms and conditions

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

Addverb Technologies Pty Limited
Notes to the financial statements
For the year ended 31 March 2023

Note 20. Events after the reporting period

No matter or circumstance has arisen since 31 March 2023 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

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David Huxley
Director
Dated: 14th April 2023

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Sriram Sridhar
Director
Dated: 14th April 2023