

Asset Vision Co Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Asset Vision Co Limited (formerly Future First Technologies Ltd)
ABN:	50 164 718 361
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. Results for announcement to the market

			\$
Revenues from ordinary activities	down	1.9% to	1,846,410
Revenues from continuing operations	up	2.4% to	1,846,300
Loss from continuing operations after tax attributable to the members of Asset Vision Co Limited	down	97.4% to	(219,117)
Loss from ordinary activities after tax attributable to the members of Asset Vision Co Limited	down	97.4% to	(219,054)
Loss for the half-year attributable to the members of Asset Vision Co Limited	down	97.4% to	(219,054)

Dividends

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

Comments

The loss for the Group after providing for income tax attributable to continuing operations amounted to \$219,117 (31 December 2022: loss \$8,261,412).

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	(0.05)	0.31

4. Control gained over entities

Not applicable.

5. Loss of control over entities

Respring Pty Ltd was deregistered on 6 August 2023 under section 601AA(4) of the Corporations Act 2001.

6. Dividends

Current period

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

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Previous period

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

7. Dividend reinvestment plans

Not applicable.

8. Audit qualification or review

Details of audit/review dispute or qualification (if any):


The financial statements were subject to a review by the auditors and the review report is attached as part of the Half Year Report.

9. Attachments

Details of attachments (if any):

The Half Year Report of Asset Vision Co Limited for the half-year ended 31 December 2023 is attached.

10. Signed

Signed  _____

Damian Smith
Managing Director

Date: 20 February 2024

For persons

Asset Vision Co Limited (formerly Future First Technologies Ltd)

ABN 50 164 718 361

Half Year Report - 31 December 2023

For personal use only

Asset Vision Co Limited
Directors' report
31 December 2023

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Asset Vision Co Limited (formerly Future First Technologies Ltd (referred to hereafter as the 'company' or 'parent entity')) and the entities it controlled at the end of, or during, the half-year ended 31 December 2023.

Directors

The names of the directors in office at any time during or since the end of the half year are:

Non-Executive Directors

Luke Donnellan (appointed 1 July 2023)
Renata Sguario (resigned 26 October 2023)

Executive Directors

Damian Smith
Lucas Murtagh

Principal activities

During the financial half-year the principal continuing activities of the Group consisted of:

- The growth of the Asset Vision business - an advanced asset and works management system with native GIS / spatial capabilities, used by asset owners (government and enterprise) and contractors to streamline the delivery of critical maintenance contracts globally.

Dividends

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

Review of operations

The loss for the Group after providing for income tax amounted to \$219,054 (31 December 2022: \$8,390,358).

The loss includes the following non-cash items totalling \$355,468:

- Revaluation of the Right-of-use-asset of \$32,456
- Fair value adjustments of \$125,920 for the cost of shares and options issued to current and former directors, employees and advisors
- Depreciation and amortisation charges of \$197,092

We are proud to report that the Group has achieved strong financial results during the half-year with EBITDA of \$135,136 and positive operating cash flows of \$408,925. Our core business, Asset Vision, has achieved a 41% increase to its Annual Recurring Revenue compared to the end of the prior comparative period (pcp) - \$3.1m compared with \$2.2m. Licensing Revenue has increased by 39% on pcp to \$1.5m, after winning the five road maintenance contracts in Victoria, the contract with the Department of Infrastructure and Transport in South Australia and the successful renegotiation of our contracts with the Victorian and NSW State Governments, which both included price increases.

Operating expenses have stabilised since the completion of the cost management program during FY23, and we have demonstrated that the business is able to grow on a fundamentally altered cost base. Total operating costs for the Group reduced by 40% on pcp to \$2.3m for the half.

All costs incurred on R&D activity continue to be expensed through the statement of profit or loss. Any R&D claim will be treated as income during the reporting period received.

One of the key priorities of the Group for FY24 is to become cash flow positive on a recurring monthly basis. We are pleased to report that we are on our way to achieving this goal. The Group reported operating cash flow inflows of \$408,925 (a turnaround of \$2.2m on pcp) with four of the six months cash flow positive. The reduction in operating expenses and the earlier receipt of the R&D tax offset refund have attributed to the turnaround.

Net assets are now \$4.5m. The \$2.7m reduction since 30 June 2023 has been caused by the write down of the investment in The 1derful Group Pty Ltd to nil.

Significant changes in the state of affairs

On 27 October 2023, Future First Technologies Limited completed its company name change with the Australian Securities and Investment Commission (ASIC). The new listing code "ASV" went live on 1 November 2023. This change had Shareholder approval at the Annual General Meeting held on 26 October 2023.

Asset Vision Co Limited
Directors' report
31 December 2023

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



Damian Smith
Managing Director

20 February 2024

Auditor's independence declaration

As lead auditor for the review of the interim financial report of Asset Vision Co Limited (formerly Future First Technologies Limited) for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

This declaration is in respect of Asset Vision Co Limited (formerly Future First Technologies Limited) and the entities it controlled during the period.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Melbourne
20 February 2024

A handwritten signature in black ink, appearing to read 'M Gummery', with a stylized flourish at the end.

Michael Gummery
Partner

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Asset Vision Co Limited

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General information

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

Asset Vision Co Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 4, 799 Springvale Road, Mulgrave VIC 3170

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 20 February 2024.

Asset Vision Co Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

		Consolidated	
	Note	31 Dec 2023	31 Dec 2022
		\$	\$
Revenue from continuing operations	3	1,846,300	1,803,049
Other income	4	570,128	1,000,184
Expenses			
Third party materials and labour		(14,020)	(484,611)
Acquisition expenses		-	(152,010)
Employee benefits expense		(1,834,575)	(1,923,412)
Depreciation and amortisation expense		(197,092)	(382,215)
Impairment of goodwill and intangibles		-	(7,221,803)
Loss on disposal of assets		91	(17,383)
Write off of assets		-	(76,079)
Revaluation of Right-of-use-asset		(32,456)	-
Other expenses		(558,585)	(908,498)
Finance costs		(6,746)	(2,969)
Loss before income tax benefit from continuing operations		(226,955)	(8,365,747)
Income tax benefit		7,838	104,335
Loss after income tax benefit from continuing operations		(219,117)	(8,261,412)
Profit/(loss) after income tax expense from discontinued operations	5	63	(128,946)
Loss after income tax (expense)/benefit for the half-year attributable to the members of Asset Vision Co Limited		(219,054)	(8,390,358)
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Loss on the revaluation of equity instruments at fair value through other comprehensive income, net of tax		(2,676,467)	-
Other comprehensive income for the half-year, net of tax		(2,676,467)	-
Total comprehensive income for the half-year attributable to the members of Asset Vision Co Limited		<u>(2,895,521)</u>	<u>(8,390,358)</u>
Total comprehensive income for the half-year is attributable to:			
Continuing operations		(2,895,584)	(8,261,412)
Discontinued operations		63	(128,946)
		<u>(2,895,521)</u>	<u>(8,390,358)</u>

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

Asset Vision Co Limited
Consolidated statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2023

	Cents	Cents
Earnings per share for loss from continuing operations attributable to the members of Asset Vision Co Limited		
Basic earnings per share	(0.03)	(1.32)
Diluted earnings per share	(0.03)	(1.32)
Earnings per share for loss attributable to the members of Asset Vision Co Limited		
Basic earnings per share	(0.03)	(1.35)
Diluted earnings per share	(0.03)	(1.35)

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

Asset Vision Co Limited
Consolidated statement of financial position
As at 31 December 2023

		Consolidated	
	Note	31 Dec 2023	30 Jun 2023
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		832,405	714,891
Trade and other receivables	6	353,148	460,935
Other		226,232	132,350
Total current assets		<u>1,411,785</u>	<u>1,308,176</u>
Non-current assets			
Financial assets at fair value through other comprehensive income	7	-	2,676,467
Property, plant and equipment	8	5,385	5,592
Right-of-use assets		205,664	25,496
Intangibles	9	4,846,899	5,001,999
Deferred tax		526,177	436,229
Total non-current assets		<u>5,584,125</u>	<u>8,145,783</u>
Total assets		<u>6,995,910</u>	<u>9,453,959</u>
Liabilities			
Current liabilities			
Trade and other payables	10	521,894	419,053
Lease liabilities		78,451	25,842
Employee benefits		415,779	393,710
Deferred consideration	12	750,000	500,000
Other		368,934	236,109
Total current liabilities		<u>2,135,058</u>	<u>1,574,714</u>
Non-current liabilities			
Lease liabilities		152,222	-
Deferred tax		192,110	110,000
Employee benefits		47,031	38,977
Deferred consideration	12	-	500,000
Other		8,822	-
Total non-current liabilities		<u>400,185</u>	<u>648,977</u>
Total liabilities		<u>2,535,243</u>	<u>2,223,691</u>
Net assets		<u>4,460,667</u>	<u>7,230,268</u>
Equity			
Issued capital	13	95,641,932	95,541,932
Reserves	14	(881,947)	1,818,600
Accumulated losses		(90,299,318)	(90,130,264)
Total equity		<u>4,460,667</u>	<u>7,230,268</u>

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

Asset Vision Co Limited
Consolidated statement of changes in equity
For the half-year ended 31 December 2023

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2022	93,069,131	2,320,600	(82,004,980)	13,384,751
Loss after income tax benefit for the half-year	-	-	(8,390,358)	(8,390,358)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(8,390,358)	(8,390,358)
<i>Transactions with members in their capacity as members:</i>				
Share-based payments	1,000,000	-	-	1,000,000
Options granted	-	69,000	-	69,000
Transfer of expired share options to retained earnings	-	(142,000)	142,000	-
Issue of shares to current and former employees	304,000	-	-	304,000
Balance at 31 December 2022	<u>94,373,131</u>	<u>2,247,600</u>	<u>(90,253,338)</u>	<u>6,367,393</u>

Consolidated	Issued capital \$	Reserves \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2023	95,541,932	1,818,600	(90,130,264)	7,230,268
Loss after income tax benefit for the half-year	-	-	(219,054)	(219,054)
Other comprehensive income for the half-year, net of tax	-	-	(2,676,467)	(2,676,467)
Total comprehensive income for the half-year	-	-	(2,895,521)	(2,895,521)
<i>Transactions with members in their capacity as members:</i>				
Options granted	-	25,920	-	25,920
Transfer of expired share options to retained earnings	-	(50,000)	50,000	-
Issue of shares to current and former employees/directors	60,000	-	-	60,000
Issue of shares for services rendered	40,000	-	-	40,000
Balance at 31 December 2023	<u>95,641,932</u>	<u>1,794,520</u>	<u>(92,975,785)</u>	<u>4,460,667</u>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Asset Vision Co Limited
Consolidated statement of cash flows
For the half-year ended 31 December 2023

	Note	Consolidated	
		31 Dec 2023	31 Dec 2022
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		2,115,402	2,044,995
Payments to suppliers and employees (inclusive of GST)		(2,269,859)	(3,860,144)
		(154,457)	(1,815,149)
Interest received		95	129
Interest and other finance costs paid		(6,746)	(2,602)
Income taxes refunded		570,033	49,808
Net cash from/(used in) operating activities		408,925	(1,767,814)
Cash flows from investing activities			
Payments for prior period's business acquisition		(250,000)	(1,000,000)
Acquisition Costs		-	(8,010)
Payments for property, plant and equipment	8	(2,365)	(78,459)
Proceeds from disposal of business	5	-	600,000
Proceeds from disposal of property, plant and equipment	8	-	21,818
Proceeds from release of security deposits		-	245,821
Net cash used in investing activities		(252,365)	(218,830)
Cash flows from financing activities			
Repayment of leases		(39,046)	(101,959)
Net cash used in financing activities		(39,046)	(101,959)
Net increase/(decrease) in cash and cash equivalents		117,514	(2,088,603)
Cash and cash equivalents at the beginning of the financial half-year		714,891	2,684,661
Cash and cash equivalents at the end of the financial half-year		832,405	596,058

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

Note 1. Material accounting policy information

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

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.

Going concern

The consolidated financial statements have been prepared on a going concern basis, which assumes the continuity of normal business activities and the settlement of liabilities in the normal course of business.

During the half-year ended 31 December 2023, the Group incurred a net loss after tax of \$219,054 (2022: loss of \$8,390,358) and had net cash operating inflows of \$408,925 (2022: outflows of \$1,767,814). The result for the current half-year included the following non-cash items:

- Revaluation of the Right-of-use-asset of \$32,456
- Fair value adjustments of \$125,920 for the cost of shares and options issued to current and former directors, employees and advisors; and
- Depreciation and amortisation charges of \$197,092.

As at 31 December 2023, the Group's current liabilities exceeded current assets by \$723,273 (2022: \$1,564,913). The deficiency includes the deferred consideration amounts owing from the EagleSoft acquisition of \$750,000.

In determining that the going concern basis is appropriate, the directors have had regard to:

- The Group's confidence in raising equity based on successful past raises;
- The Group's ability to renegotiate the payment terms of some of the deferred consideration; and
- The Group's cash flow forecast and budgets to 28 February 2025 for the remaining operations show positive operating cash flows.

The directors remain confident that the Group will be able to continue as a going concern which assumes it will be able to continue trading and realise assets and discharge liabilities in the ordinary course of business for at least 12 months from the date of the consolidated financial report.

The factors outlined above indicate the existence of a material uncertainty in respect of the Group's ability to continue as a going concern. The Group's ability to continue to operate as a going concern is dependent upon the items listed above. Should these events not occur as anticipated, the Group may not be able to pursue its business objectives and will have difficulty continuing to operate as a going concern, including realising its assets and extinguishing its liabilities at the amounts shown in the financial statements. No allowance for such circumstances has been made in the financial report.

Note 2. Operating segments

Identification of reportable operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers (CODMs). The CODMs, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Co-Chief Executive Officers.

The Group's continuing operations are organised into two operating segments: Asset Vision and Corporate.

The EagleSoft segment that was reported in the prior period no longer exists. The engineering capability of EagleSoft was integrated into the Asset Vision team during the financial year ended 30 June 2023 and the remaining operations were shut down.

The farmbuy.com business was divested during the prior period and is reported as Discontinued Operations for the current and prior period. The current period includes transactions associated with the winding up of Respring Pty Ltd which was deregistered with ASIC on 6 August 2023.

The CODMs reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODMs are consistent with those adopted in the financial statements.

The information reported to the CODMs is on a monthly basis.

Types of products and services

The principal products and services of each of these operating segments are as follows:

Asset Vision	The Asset Vision segment comprises Asset Vision Pty Ltd, a proprietary cloud and mobile based platform which provides a unified approach to asset inspections, maintenance and operations management in the global Enterprise Asset Management software market.
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Intersegment transactions

There were no material transactions between operating segments.

Intersegment receivables, payables and loans

Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

Revenue Categorised

Revenue is generated by the Group and is categorised into the reportable segments disclosed below. Sales to external customers is recognised when the performance obligations are delivered over time. Once a contract has been entered into, the Group has an enforceable right to payment for work completed to date. Therefore, revenue is recognised over time.

Note 2. Operating segments (continued)

Operating segment information

	Asset Vision	Corporate	Discontinued Operations	Total
	\$	\$	\$	\$
Consolidated - 31 Dec 2023				
Revenue				
Sales to external customers	1,846,300	-	110	1,846,410
Total revenue	1,846,300	-	110	1,846,410
EBITDA				
Depreciation and amortisation	(195,705)	(1,387)	-	(197,092)
Revaluation of Right-of-use-asset	(32,456)	-	-	(32,456)
Interest revenue	95	-	-	95
Finance costs	(2,055)	(4,691)	-	(6,746)
Transaction costs	-	(40,000)	-	(40,000)
Profit on disposal of fixed assets	91	-	-	91
Fair value of shares and options	-	(85,920)	-	(85,920)
Profit/(loss) before income tax benefit	213,644	(440,599)	63	(226,892)
Income tax benefit				7,838
Loss after income tax benefit				(219,054)
Assets				
Segment assets	3,342,974	3,652,936	-	6,995,910
Total assets				6,995,910
Liabilities				
Segment liabilities	1,453,679	1,081,564	-	2,535,243
Total liabilities				2,535,243

Note 2. Operating segments (continued)

	Asset Vision	EagleSoft	Corporate	Discontinued Operations	Total
	\$	\$	\$	\$	\$
Consolidated - 31 Dec 2022					
Revenue					
Sales to external customers	1,796,032	7,017	-	79,990	1,883,039
Total revenue	1,796,032	7,017	-	79,990	1,883,039
EBITDA					
Depreciation and amortisation	(200,725)	(77,486)	(104,004)	(56)	(382,271)
Impairment of goodwill / intangibles	-	(889,100)	(6,332,703)	-	(7,221,803)
Loss on disposal of discontinued operations	-	-	-	(36,500)	(36,500)
Interest revenue	12	117	-	-	129
Finance costs	(1,647)	-	(1,322)	-	(2,969)
Transaction costs	-	-	(212,010)	-	(212,010)
Loss on disposal of fixed assets	(17,325)	-	(58)	-	(17,383)
Contingent consideration adjustment	-	-	950,247	-	950,247
Asset impairment	-	(76,079)	-	-	(76,079)
Loss before income tax benefit	(188,089)	(1,533,666)	(6,643,992)	(112,260)	(8,478,007)
Income tax benefit	-	-	-	-	87,649
Loss after income tax benefit					(8,390,358)
Consolidated - 30 Jun 2023					
Assets					
Segment assets	3,537,087	5,283	5,911,494	95	9,453,959
Total assets					9,453,959
Liabilities					
Segment liabilities	949,536	(1,113)	1,275,268	-	2,223,691
Total liabilities					2,223,691

Note 3. Revenue

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
From continuing operations		
Sale of services	1,846,300	1,803,049

Note 3. Revenue (continued)

Disaggregation of revenue

The disaggregation of revenue from contracts with customers is as follows:

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
<i>Major product lines</i>		
Licensing	1,475,700	1,059,627
Consulting Fees	370,600	740,122
Customisation & Configuration	-	3,300
	<u>1,846,300</u>	<u>1,803,049</u>
<i>Geographical regions</i>		
Australia	<u>1,846,300</u>	<u>1,803,049</u>
<i>Timing of revenue recognition</i>		
Goods transferred at a point in time	370,600	743,422
Services transferred over time	1,475,700	1,059,627
	<u>1,846,300</u>	<u>1,803,049</u>

Note 4. Other income

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Interest income	95	129
Contingent consideration adjustments	-	950,247
Other revenue	570,033	49,808
Other income	<u>570,128</u>	<u>1,000,184</u>

Other revenue represents R&D tax offsets with respect to research and development expenditure incurred in prior years.

The consideration for the acquisition of the EagleSoft business included deferred consideration that was contingent upon the achievement of future milestones. The milestones are no longer expected to be achieved and the contingent consideration liability was released to the statement of profit or loss in the prior period.

Note 5. Discontinued operations

Description

Current Period

The \$63 reported as a gain on disposal in the current period relates to residual transactions from the farmbuy.com segment prior to the winding up of Respring Pty Ltd on 6 August 2023 by ASIC.

Prior Period

On 1 July 2022, the Group announced that it had signed a binding Heads of Agreement to sell farmbuy.com (part of Respring Pty Ltd) to Australian Community Media (ACM). Under the Heads of Agreement, ACM purchased all of the business assets for a purchase price of \$800,000. The formal Sale of Business Agreement was executed on 3 August 2022 and the sale successfully completed on 1 September 2022. Consideration was paid across six instalments.

Note 5. Discontinued operations (continued)

As a result of the sale transactions outlined above, the financial result of the business that was divested and associated Group reclassification and consolidation impacts are treated as discontinued operations from a financial reporting perspective both in the current and prior periods.

Details of the financial performance, cash flows and the carrying value of the assets and liabilities of the discontinued operations are shown below.

Financial performance information

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Revenue from discontinued operations	110	79,990
Operating expenses from discontinued operations	(47)	(155,694)
Depreciation and amortisation expense from discontinued operations	-	(56)
Total expenses	<u>(47)</u>	<u>(155,750)</u>
Profit/(loss) before income tax expense	63	(75,760)
Income tax expense	-	(16,686)
Profit/(loss) after income tax expense	<u>63</u>	<u>(92,446)</u>
Loss on disposal of discontinued operations	-	(36,500)
Income tax expense	-	-
Loss on disposal after income tax expense	<u>-</u>	<u>(36,500)</u>
Profit/(loss) after income tax expense from discontinued operations	<u><u>63</u></u>	<u><u>(128,946)</u></u>

Cash flow information

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Net cash from/(used in) operating activities	63	(188,203)
Net cash used in investing activities	-	(101,816)
Net increase/(decrease) in cash and cash equivalents from discontinued operations	<u><u>63</u></u>	<u><u>(290,019)</u></u>

Asset Vision Co Limited
Notes to the consolidated financial statements
31 December 2023

Note 5. Discontinued operations (continued)

Carrying amounts of assets and liabilities disposed

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Trade and other receivables	-	94,435
Other current assets	-	454
Property, plant and equipment	-	2,934
Intangibles	-	713,677
Total assets	-	811,500
Net assets	-	811,500

Details of the disposal

	Consolidated	
	31 Dec 2023	31 Dec 2022
	\$	\$
Total sale consideration	-	800,000
Carrying amount of net assets disposed	-	(811,500)
Post acquisition adjustment for debtors	-	(25,000)
Loss on disposal before income tax	-	(36,500)
Loss on disposal after income tax	-	(36,500)

Note 6. Trade and other receivables

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
Trade receivables	348,823	460,928
Other receivables	4,325	-
GST receivable/(payable)	-	7
	353,148	460,935

Note 7. Financial assets at fair value through other comprehensive income

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
Unlisted ordinary shares	-	2,676,467

Note 7. Financial assets at fair value through other comprehensive income (continued)

This represents shares held in The 1derful Group Pty Ltd (1derful), a Fin-Tech start up that provides financial services product and technology solutions on a business to business basis.

On 13 July 2020, the Group made an initial investment of \$1,250,000 in 1derful. The Group subscribed to 1,250,000 of Convertible Notes at a face value of \$1.00 per note. The Group made a follow on investment of \$1,250,000 on 2 February 2021 whereby it subscribed to a further 1,250,000 of Convertible Notes at a face value of \$1.00. On 28 June 2021, the 2,500,000 notes plus accrued interest (\$2,676,467) were converted to shares representing an 8.8% holding in 1derful (1,284,462 shares).

On 20 October 2023, the Group released an announcement to the market advising that The 1derful Group Pty Ltd had been placed into external administration. No further information has been provided since the initial communication however an ASIC search shows the company is now in receivership.

Management has formed the view, based on the limited information available, that the fair value of the investment is now zero.

The fair value of the investment has been written down to nil as at 31 December 2023. The fair value write down has been taken to other comprehensive income (OCI) on the basis that the Group made the election under AASB 9 to account for the investment at fair value through OCI.

Note 8. Property, plant and equipment

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
Computer equipment - at cost	33,025	32,576
Less: Accumulated depreciation	(28,165)	(27,908)
	4,860	4,668
Office equipment - at cost	6,746	6,746
Less: Accumulated depreciation	(6,746)	(6,746)
	-	-
Computer software - at cost	183,732	183,732
Less: Accumulated depreciation	(183,207)	(182,808)
	525	924
	5,385	5,592

Reconciliations

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

Consolidated	Computer Equipment \$	Computer Software \$	Total \$
Balance at 1 July 2023	4,668	924	5,592
Additions	2,365	-	2,365
Depreciation expense	(2,173)	(399)	(2,572)
Balance at 31 December 2023	4,860	525	5,385

Note 9. Intangibles

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
Goodwill - at cost	16,191,739	16,191,739
Less: Impairment	(13,464,540)	(13,464,540)
	<u>2,727,199</u>	<u>2,727,199</u>
Customer contracts - at cost	601,000	601,000
Less: Accumulated amortisation	(190,317)	(160,267)
	<u>410,683</u>	<u>440,733</u>
Software - at cost	3,547,000	3,547,000
Less: Accumulated amortisation	(948,883)	(823,833)
Less: Impairment	(889,100)	(889,100)
	<u>1,709,017</u>	<u>1,834,067</u>
	<u><u>4,846,899</u></u>	<u><u>5,001,999</u></u>

Reconciliations

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

Consolidated	Goodwill \$	Software \$	Customer Contracts \$	Total \$
Balance at 1 July 2023	2,727,199	1,834,067	440,733	5,001,999
Amortisation expense	-	(125,050)	(30,050)	(155,100)
Balance at 31 December 2023	<u><u>2,727,199</u></u>	<u><u>1,709,017</u></u>	<u><u>410,683</u></u>	<u><u>4,846,899</u></u>

Changes to the macro-economic environment in the past six months, namely interest rate increases impacting the risk-free rate have triggered the need to review the inputs to the model and re-assess for impairment at the half-year.

The key assumptions used in the value in use calculation for Asset Vision were as follows:

Pre-tax discount rate 30.83% (June 2023: 32.17%)

Terminal value growth rate 2.50% (June 2023: 2.50%)

Revenue growth rate (average over next five years) 12.7% (June 2023: 15.6%)

There were no other key assumptions for the Asset Vision division.

The review indicates that the value in use is higher than the carrying amount of goodwill therefore no impairment charge is necessary.

Note 10. Trade and other payables

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
Trade payables	183,454	107,816
BAS payable	56,730	62,818
Other payables	281,710	248,419
	<u>521,894</u>	<u>419,053</u>

Note 11. Borrowings

Financing arrangements

Unrestricted access was available at the reporting date to the following lines of credit:

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
Total facilities		
Credit card facility	<u>75,000</u>	<u>95,000</u>
Used at the reporting date		
Credit card facility	<u>5,710</u>	<u>16,298</u>
Unused at the reporting date		
Credit card facility	<u>69,290</u>	<u>78,702</u>

The facilities with ANZ bank contractually expired on 30 December 2020. The lender has agreed to keep the credit card facilities in place. During the period, the Group closed one billing account with a \$20,000 limit.

Note 12. Deferred consideration

	Consolidated	
	31 Dec 2023	30 Jun 2023
	\$	\$
Deferred Consideration	<u>750,000</u>	<u>1,000,000</u>

The deferred consideration represents the obligation to pay consideration following the acquisition of a business or assets. It is measured at the present value of the estimated liability.

The outstanding balance of \$750,000 relates to the EagleSoft acquisition. \$125,000 of the total owing to the vendors of EagleSoft Pty Ltd was settled in cash on 2 January 2024. The remaining \$625,000 will be paid across three quarterly instalments:

- (1) 1 April 2024 - \$125,000
- (2) 1 July 2024 - \$250,000
- (3) 31 October 2024 - \$250,000

Note 13. Issued capital

	Consolidated			
	31 Dec 2023 Shares	30 Jun 2023 Shares	31 Dec 2023 \$	30 Jun 2023 \$
Ordinary shares - fully paid	725,836,565	714,836,565	95,641,932	95,541,932

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2023	714,836,565		95,541,932
Issue of shares to Luke Donnellan	9 November 2023	1,000,000	\$0.010	10,000
Issue of shares to Adrian Rudman	9 November 2023	5,000,000	\$0.010	50,000
Issue of shares to JT Mason Pty Ltd	21 November 2023	5,000,000	\$0.008	40,000
Balance	31 December 2023	725,836,565		95,641,932

The shares were issued for nil consideration.

Note 14. Reserves

	Consolidated	
	31 Dec 2023 \$	30 Jun 2023 \$
Revaluation surplus reserve	1,500,000	1,500,000
Financial assets at fair value through other comprehensive income reserve	(2,676,467)	-
Employee share option reserve	294,520	318,600
	(881,947)	1,818,600

Financial assets at fair value through other comprehensive income reserve

The reserve is used to recognise increments and decrements in the fair value of financial assets at fair value through other comprehensive income.

Note 15. Events after the reporting period

No matter or circumstance has arisen since 31 December 2023 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.

Asset Vision Co Limited
Directors' declaration
31 December 2023

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



Damian Smith
Managing Director

20 February 2024

**Independent Auditor's Review Report to the Members of Asset Vision Co Limited
(formerly Future First Technologies Limited)**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Asset Vision Co Limited (formerly Future First Technologies Limited) ("the company") and its controlled entities ("the Group"), which comprises the consolidated interim statement of financial position as at 31 December 2023, the consolidated interim statement of profit or loss and other comprehensive income, the consolidated interim statement of changes in equity and the consolidated interim statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 Going Concern in the interim financial report, which indicates that the Group incurred a loss after tax of \$219,054 for the 6-month period ended 31 December 2023 (2022: loss of \$8,390,358) and, as of that date, its current liabilities exceed its current assets by \$723,273 (2022: \$1,564,913). These events or conditions, along with others outlined in Note 1 Going Concern, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Responsibility of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the interim 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 interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the consolidated entity's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

Melbourne
20 February 2024

A handwritten signature in black ink, appearing to read 'M Gummery', with a stylized flourish at the end.

Michael Gummery
Partner

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