

Smart Parking Limited
and its Controlled Entities

ABN 45 119 327 169

Preliminary Final Report

for the year ended
30 June 2023

ASX PRELIMINARY FINAL REPORT

Smart Parking Limited
ABN 45 119 327 169

30 June 2023

Lodged with the ASX under Listing Rule 4.3A

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This report covers the consolidated entity consisting of Smart Parking Limited and its controlled entities. The preliminary financial report is presented in Australian dollars.

Smart Parking Limited
Year ended 30 June 2023

Details of the reporting period

Current period: 12 months ending 30 June 2023 (FY23)

Prior period: 12 months ending 30 June 2022 (FY22)

RESULTS FOR ANNOUNCEMENT TO MARKET

	Change Up/(Down)	2023	2022
Revenue from ordinary activities	18%	45,176,722	38,148,460
EBITDA	63%	12,094,170	7,397,851
Adjusted EBITDA	31%	11,530,044	8,771,983
Profit after tax attributable to members	565%	6,383,150	959,767
Total comprehensive income for the year attributable to owners	522%	6,756,349	1,086,106

Dividends

There were no dividends paid or proposed for the period. The Group does not have a dividend re-investment plan.

Commentary on the results for FY23

The net statutory profit after tax attributable to members is \$6.4m, up 565% from FY22 (\$1.0m). This favourable increase is due to strong underlying business performance and was assisted by foreign exchange gains of \$1.2m, and tax adjustments related to historical tax losses (refer Note 11).

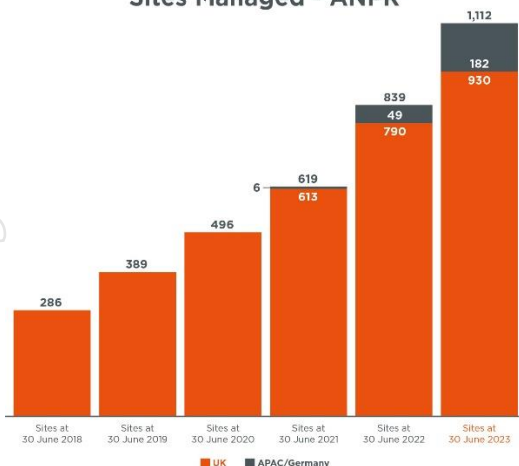
The Group's Adjusted EBITDA is a pleasing \$11.5m, a 31% increase from FY22. Adjusted EBITDA provides a better perspective of normalised underlying business performance, as it excludes tax adjustments, foreign exchange gains and other non-recurring items/non-operating items (refer Note 2). The 31% increase reflects significant organic growth in the underlying business, with Adjusted EBIT increasing 47% from FY22 to \$6.1m.

Total revenue of \$45.2m for FY23 was up 18% on FY22. The 18% revenue growth, combined with the 31% increase in adjusted EBITDA and 47% increase in adjusted EBIT, indicate the magnified profit boost enabled by revenue growth.

Revenue in the Parking Management division of \$41.2m was up 23% (FY22: \$33.4m). The increase reflects the growth in Automatic Number Plate Recognition (ANPR) sites under management and growth in all territories, especially the UK and New Zealand.

The Company added 330 new Automatic Number Plate Recognition (ANPR) sites for existing, new and acquired customers, resulting in a net 33% increase in sites over the year. The portfolio has undergone rapid growth over the last five years, as shown in the graph below, rising from 286 ANPR sites under management at 30 June 2018 to 1,112 ANPR sites under management at 30 June 2023.

Sites Managed - ANPR



The Company has established parking management businesses in NZ, Australia (Queensland) and Germany in the last 30 months. The NZ operations are performing strongly with 84 sites installed at 30 June 2023 generating revenue of \$2.9m, up 278% on FY22.

In January 2022, the Company launched its first operation in mainland Europe by opening a parking management business in Germany. The total addressable market in Germany is estimated to be twice that of the UK and represents a significant opportunity for the Company to grow in Europe. The majority of incumbents provide manual parking management through the use of people/parking attendants, not technology. The Company believes its technology-led solutions will be a significant point of difference during the sales process and will lead to client wins. The German operations are now steadily progressing and as at 30 June 2023 had 27 sites and generated revenue of \$0.5m in FY23.

In Australia, the Queensland government temporarily paused private parking operators' access to the Queensland Motor Vehicle Register on 20th February 2023. On 10th August 2023, the Queensland Department of Transport and Main Roads released a consultation document seeking comments and submissions on options to reform the release of personal information for enforcement of private car park conditions. It is unclear if or when access to the Queensland Motor Vehicle Register will be reinstated. At the date of the pause in operations, 71 ANPR sites were installed in Queensland. The Queensland business generated revenue of \$1.4m and an EBITDA loss of \$0.4m in FY23 up to 20th February 2023 (full year loss \$0.7m). A cost reduction plan was implemented following the pause with 50% of the Queensland staff being made redundant and the remainder running a reduced manual operation or being redeployed elsewhere in the Group. The Queensland business has plant and equipment with a carrying value of \$0.9m, of which \$0.8m can be redeployed in other jurisdictions.

The UK government temporarily withdrew the Private Parking Code of Practice in June 2022, pending review of the levels of private parking charges and additional fees. On 28th July 2023, a call for evidence was announced on private parking charges and debt recovery fees, adding new more favourable options and an openness to consider further options compared to the earlier communications. It is unclear when the review will be finalised and implemented.

It is important to note that the UK review is substantially different from the Queensland review. The UK review covers the value of the Parking Breach Notice and debt recovery fees, accepting that Private Car Park operators have the right to access contact details of number plate owners in order to charge fees. Like NZ and Germany (but unlike in Queensland), in the UK there is a Code of Practice, enabling legal framework and established cost-effective mechanism for retrieval of number plate details for enforcement of private car parks.

The Company believes there is a significant opportunity across the UK, Germany and NZ and will be focused on the continued roll out of sites and customer wins in the coming years.

The Company remains focused on its strategy of growing the installed number of ANPR sites to 1,500 by 30 June 2025, and is on track to exceed this milestone.

The number of Parking Breach Notices (PBNs) issued increased by 29% in FY23 largely due to the increased number of sites under management. The Parking Management division expects growth in revenue and earnings in FY24 as a result of the contribution of new sites installed during FY23 and ongoing new customer sites.

Adjusted EBITDA for FY23 in the Parking Management Division of \$11.4m was up 17% on FY22. Overheads in the German Parking Management Division (established in January 2022) of \$1.8m (H2 FY22: \$0.6m) relates to scaling the German ANPR business for growth.

Adjusted EBITDA profit in the Technology Division of \$2.0m improved from a profit of \$1.1m in FY22. External revenue in the Technology division was down 18% from \$4.7m (FY22) to \$3.9m (FY23) with an intentional shift to higher margin products and growing the Parking Management division. Installations in Australia and New Zealand included City of Bunbury and Queensgate Shopping Centre.

At year end, the group had available cash of \$10.7m. The Company generated strong operating cash returns over FY23 of \$9.3m. Cashflows from operating activities declined due to the timing of technology projects where receipts and payments occurred in different financial periods, and the Company commencing paying tax in the UK following historical losses being fully utilised. Cash balances marginally decreased from FY22 by \$0.1m, partly due to ongoing significant capital investment of \$5.3m in organic site expansion, a \$0.9m outflow for repayment of borrowings and a \$0.8m share buy-back (at an average price of \$0.2297 per share).

On 14th July 2023, the Group entered into an agreement to acquire ParkInnovation for total cash consideration of \$2.0m. ParkInnovation provides parking management solutions in Germany and has 46 manually operated sites under management. The acquisition accelerates growth in the German market and the acquisition provides the opportunity to upgrade suitable sites to ANPR technology, while continuing to operate remaining sites manually.

The Company will continue to evaluate potential acquisitions and explore new territories suitable for the Company's technology and business model.

Further commentary on the results is included in the Market Announcement and Investor Presentation.

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

	Note	Consolidated	
		2023 \$	2022 \$
Revenue from operations	9(c)	45,176,722	38,148,460
Raw materials and consumables used		(3,132,319)	(3,826,413)
Employee benefits expense		(13,506,650)	(11,059,422)
Depreciation and amortisation expense		(5,372,465)	(4,482,710)
Rental and operating lease costs		(640,317)	(699,479)
Share-based payments expense		(241,950)	(218,338)
Interest expense		(643,083)	(704,779)
Foreign exchange gains/(losses)		1,166,991	(1,086,096)
Other expenses	10	(16,613,094)	(13,962,160)
Profit before income tax		6,193,835	2,109,063
Income tax benefit/(expense)	11	189,315	(1,149,296)
Profit for the year from continuing operations		6,383,150	959,767
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Exchange differences on translation of foreign operations		373,199	126,339
Other comprehensive income for the year, net of tax		373,199	126,339
Total comprehensive income for the year		6,756,349	1,086,106
Total comprehensive income for the year attributable to owners of Smart Parking Limited		6,756,349	1,086,106
Earnings per share from continuing operations attributable to the ordinary equity holders of the company.			
- basic earnings per share (cents per share)		1.82	0.27
- diluted earnings per share (cents per share)		1.82	0.27

The above Consolidated Statement of Profit and Loss and Other Comprehensive Income is to be read in conjunction with the accompanying supplementary Appendix 4E information.

Consolidated Statement of Financial Position
As at 30 June 2023

	Note	Consolidated 2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents		10,726,176	10,819,910
Trade and other receivables	13	13,730,414	9,994,009
Contract assets		22,312	758,507
Inventories		705,184	959,981
Other financial assets	12	650,626	542,489
Total Current Assets		25,834,712	23,074,896
Non-current Assets			
Property, plant and equipment	14	10,008,090	8,225,673
Right-of-use asset		15,336,143	13,988,470
Intangible assets	15	3,987,244	3,847,548
Deferred tax asset	17	805,844	104,914
Total Non-current Assets		30,137,321	26,166,605
TOTAL ASSETS		55,972,033	49,241,501
LIABILITIES			
Current Liabilities			
Trade and other payables	16	10,862,187	10,610,044
Lease liabilities		1,974,498	1,645,775
Borrowings		1,048,146	962,582
Contract liabilities		1,110,268	1,814,088
Current tax liabilities		841,042	813,139
Employee benefit obligations		818,773	861,784
Total Current Liabilities		16,654,914	16,707,412
Non-current Liabilities			
Lease liabilities		14,384,598	13,100,354
Borrowings		239,125	1,102,098
Deferred tax liabilities	17	994,133	878,136
Total Non-current Liabilities		15,617,856	15,080,588
TOTAL LIABILITIES		32,272,770	31,788,000
NET ASSETS		23,699,263	17,453,501
EQUITY			
Contributed equity	8	65,931,468	66,684,005
Accumulated losses	3	(47,478,290)	(53,861,440)
Reserves	18	5,246,085	4,630,936
TOTAL EQUITY		23,699,263	17,453,501

The above Consolidated Statement of Financial Position is to be read in conjunction with the accompanying supplementary Appendix 4E information.

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

	Note	Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2022		66,684,005	4,630,936	(53,861,440)	17,453,501
Total comprehensive income for the year					
Profit for the year		-	-	6,383,150	6,383,150
Other comprehensive income		-	373,199	-	373,199
Total comprehensive profit for the year		-	373,199	6,383,150	6,756,349
Transactions with owners, recorded directly in equity					
Contributions by owners					
Share buy-back	8	(752,537)	-	-	(752,537)
Share-based payment transactions		-	241,950	-	241,950
Total transactions with owners		(752,537)	241,950	-	(510,587)
Balance at 30 June 2023		65,931,468	5,246,085	(47,478,290)	23,699,263
		Contributed equity \$	Reserves \$	Accumulated losses \$	Total \$
Balance at 1 July 2021		67,802,022	4,286,259	(54,821,207)	17,267,074
Total comprehensive income for the year					
Profit for the year		-	-	959,767	959,767
Other comprehensive income		-	126,339	-	126,339
Total comprehensive profit for the year		-	126,339	959,767	1,086,106
Transactions with owners, recorded directly in equity					
Contributions by owners					
Share buy-back		(1,118,017)	-	-	(1,118,017)
Share-based payment transactions		-	218,338	-	218,338
Total transactions with owners		(1,118,017)	218,338	-	(899,679)
Balance at 30 June 2022		66,684,005	4,630,936	(53,861,440)	17,453,501

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying supplementary Appendix 4E information.

Consolidated Statement of Cash Flows

For the year ended 30 June 2023

	Note	Consolidated 2023 \$	2022 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST and VAT)		42,713,493	33,159,545
Payments to suppliers and employees (inclusive of GST and VAT)		(32,951,803)	(22,860,505)
Professional fees (relate to corporate advisory costs)		(243,368)	(129,882)
Interest received		125,528	2,085
Income taxes paid		(357,354)	(153)
Net cash inflow from operating activities	19	9,286,496	10,171,090
Cash flows from investing activities			
Payments for intangible assets		(417,922)	(241,747)
Payments for property, plant and equipment		(5,286,116)	(3,847,069)
Purchase of investments in subsidiaries net of cash acquired		-	(1,916,106)
Net cash outflow from investing activities		(5,704,038)	(6,004,922)
Cash flows from financing activities			
Payments for on-market share buy-back	8	(752,537)	(1,118,017)
Interest and other finance costs paid		(643,083)	(704,779)
Principal elements of lease payments		(1,716,844)	(1,422,379)
Proceeds from borrowings		-	177,250
Repayment of borrowings		(893,385)	(781,626)
Net cash outflow from financing activities		(4,005,849)	(3,849,551)
Net (decrease)/increase in cash and cash equivalents		(423,391)	316,617
Cash and cash equivalents at beginning of period		10,819,910	10,702,153
Effects of exchange rate changes on cash and cash equivalents		329,657	(198,860)
Cash and cash equivalents at end of period		10,726,176	10,819,910

The above Consolidated Statement of Cash Flows is to be read in conjunction with the accompanying supplementary Appendix 4E information.

Supplementary Appendix 4E Information

1. Statement of significant accounting policies

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of ASX Appendix 4E.

This report is to be read in conjunction with any public announcements made by Smart Parking Limited during the reporting period in accordance with the continuous disclosure requirements of Corporations Act 2001 and the Australian Securities Exchange Listing Rules.

The preliminary financial report, comprising the financial statements and notes of Smart Parking Limited and its controlled entities, complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Where necessary, comparative figures have been adjusted to comply with the changes in presentation in the current period.

The principal accounting policies adopted in the preparation of the preliminary financial report are consistent with those of the previous financial year.

2. Material factors affecting the economic entity for the current period

Refer to the attached Market Announcement and Investor Presentation for discussion of the nature and amount of material items affecting revenue, expenses, assets, liabilities, equity or cash flows, where their disclosure is relevant in explaining the financial performance or position of the entity for the period.

The profit of the Group for the financial year after income tax amounted to \$6.4m (2022: \$1.0m).

An analysis of underlying Adjusted EBITDA in the current period which is calculated after excluding the effects of costs incurred but not related to underlying operations or not expected to occur in the future is outlined below.

	2023 \$	2022 \$
Net Profit for the year after tax	6,383,150	959,767
EBITDA ¹	12,094,170	7,397,851
Professional fees ²	553,996	129,882
Other non-recurring items ³	55,402	277,973
Financial reporting system implementation ⁴	55,000	114,943
Research and development tax incentive ⁵	(61,533)	(234,762)
Foreign exchange (gains)/losses ⁶	(1,166,991)	1,086,096
Adjusted EBITDA⁷	11,530,044	8,771,983
Depreciation and amortisation	(5,372,465)	(4,482,710)
Loss on disposal of fixed property, plant and equipment	(10,315)	(103,384)
Adjusted EBIT⁷	6,147,264	4,185,889

¹EBITDA represents Earnings before interest, taxation, depreciation, amortisation and loss on disposal of plant and equipment.

²The professional fees relate to completed and evaluated business acquisitions.

³The other non-recurring items are either non-recurring and/or non-operating in nature.

⁴Implementation of a new cloud based financial reporting system.

⁵Relates to a research and development tax incentive received from the IRD in New Zealand.

⁶The foreign exchange gains/losses relate to funding within the Group.

⁷The Board assesses the underlying performance of the business based on measures of Adjusted EBITDA and Adjusted EBIT which exclude the effect of non-operating and non-recurring items.

3. Retained Earnings (Appendix 4E item 6)

	2023	Consolidated	2022
	\$		\$
Balance 1 July	(53,861,440)		(54,821,207)
Net profit for the year	6,383,150		959,767
Balance 30 June	(47,478,290)		(53,861,440)

4. Additional Dividend Information (Appendix 4E item 7)

There were no dividends paid or proposed during the year.

5. Dividend Reinvestment Plan (Appendix 4E item 8)

The company has no dividend reinvestment plan in operation.

6. NTA Backing (Appendix 4E item 9)

	2023	Consolidated	2022
	\$		\$
Net tangible asset backing per ordinary share	\$0.0564		\$0.0386

7. Earnings per share (Appendix 4E item 14.1)

	2023	Consolidated	2022
Basic profit per share (cents per share)	1.82		0.27
Diluted profit per share (cents per share)	1.82		0.27
Profit used in calculating EPS (\$)	6,383,150		959,767
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	No. 349,944,793		No. 355,015,397
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS	No. 350,616,922		No. 356,660,958
<i>Reconciliation of basic and diluted loss per share</i>			
Profit attributable to the ordinary equity holders of the company used in calculating earnings per share:	6,383,150		959,767

8. Contributed Equity (Appendix 4E item 14.2)

On 3 March 2022, Smart Parking Limited announced an on-market share buy-back with an aggregate value of up to \$2.5m for capital management purposes, which commenced on 17 March 2022 for a 12 month period.

On 3 March 2023, Smart Parking Limited announced an on-market share buy-back with an aggregate value of up to \$1.0m for capital management purposes, which commenced on 17 March 2023.

From 23 August 2022 until 24 March 2023, the company purchased and cancelled 3,275,795 ordinary shares at a total cost of \$0.8m with an average price of \$0.2297 and a price range of \$0.2150 to \$0.2350.

Details	No of shares	Purchase price	\$
Balance at 1 July 2022	352,553,001		66,684,005
Share buy-back	(3,275,795)	\$0.2297	(752,537)
Balance at 30 June 2023	349,277,206		65,931,468

9. Segment information (Appendix 4E item 14.4)

a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Board that are used to make strategic decisions.

The Board considers the business from a product and geographical perspective and has identified four reportable segments. Technology consists of the sale of Smart City and IoT technology products and solutions predominantly to the parking market globally, Parking Management consists of the provision of car parking management services on behalf of third party car park owners and on sites leased by the Company and managed on its own behalf in the UK, New Zealand, Australia, and Germany, and Research and Development includes costs to research, develop and enhance software/hardware for both the Technology and Parking Management divisions. While the UK Parking Management business is a reportable segment due to its significance to the Group, the Company has also included disclosures for other non reportable geographies related to the Parking Management business.

The segment disclosures are before corporate costs. The corporate function's main purpose is to conduct financing and Head Office activities and represents parent company costs which are not otherwise allocated to operating segments, and foreign exchange gains and losses on the translation of foreign operations.

b) Segment information provided to the board

The segment information provided to the Board for the reportable segments for the year ended 30 June 2023 is as follows:

	Parking Management						Total Parking Management	Total
	Technology	Research and Development	United Kingdom	New Zealand	Australia	Germany		
Group – 2023	\$	\$	\$	\$	\$	\$	\$	\$
Total segment revenue	7,563,408	-	36,389,813	2,923,173	1,405,976	450,552	41,169,514	48,732,922
Inter-segment revenue	(3,681,728)	-	-	-	-	-	-	(3,681,728)
Revenue from external customers	3,881,680	-	36,389,813	2,923,173	1,405,976	450,552	41,169,514	45,051,194
Segmental Adjusted EBITDA	2,031,092	(555,489)	12,382,274	1,241,668	(701,935)	(1,512,273)	11,409,734	12,885,337
Depreciation and amortisation	(292,185)	-	(4,212,157)	(297,929)	(471,085)	(99,109)	(5,080,280)	(5,372,465)
Loss on disposal of fixed property, plant and equipment	4,800	-	(15,115)	-	-	-	(15,115)	(10,315)
Segmental Adjusted EBIT	1,743,707	(555,489)	8,155,002	943,739	(1,173,020)	(1,611,382)	6,314,339	7,502,557

The segment information provided to the Board for the reportable segments for the year ended 30 June 2022 was as follows:

	Parking Management						Total Parking Management	Total
	Technology	Research and Development	United Kingdom	New Zealand	Australia	Germany		
Group – 2022	\$	\$	\$	\$	\$	\$	\$	\$
Total segment revenue	9,469,149	-	32,203,042	773,820	402,367	26,167	33,405,396	42,874,545
Inter-segment revenue	(4,728,170)	-	-	-	-	-	-	(4,728,170)
Revenue from external customers	4,740,979	-	32,203,042	773,820	402,367	26,167	33,405,396	38,146,375
Segmental Adjusted EBITDA	1,087,240	(657,781)	10,088,549	410,929	(152,188)	(630,661)	9,716,629	10,146,088
Depreciation and amortisation	(358,376)	-	(4,026,483)	(41,243)	(49,804)	(6,804)	(4,124,334)	(4,482,710)
Loss on disposal of fixed property, plant and equipment	-	-	(103,384)	-	-	-	(103,384)	(103,384)
Segmental Adjusted EBIT	728,864	(657,781)	5,958,682	369,686	(201,992)	(637,465)	5,488,911	5,559,994

c) Other segment information

(i) Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the Board is measured in a manner consistent with that in the income statement.

Segment revenue reconciles to total revenue from continuing operations as follows:

	2023	2022
	\$	\$
Total segment revenue	48,732,922	42,874,545
Intersegment eliminations	(3,681,728)	(4,728,170)
Interest revenue	125,528	2,085
	45,176,722	38,148,460

(ii) Adjusted EBIT

The Board assesses the performance of the operating segments based on a measure of Adjusted EBIT which excludes the effects of non-operating and non-recurring costs. Interest income and expenditure are not allocated to segments, as this type of activity is driven by the Group function, which manages the cash position for the Group as a whole.

A reconciliation of Segment Adjusted EBIT to operating profit before income tax is provided as follows:

	2023 \$	2022 \$
Segment Adjusted EBIT¹	7,502,557	5,559,994
Interest revenue	125,528	2,085
Interest expense	(643,083)	(704,779)
Other non-operating items ²	(664,398)	(522,798)
Research and development tax incentive ³	61,533	234,762
Foreign exchange gain/(loss) on intra group funding	1,166,991	(1,086,096)
Adjusted EBIT for Group Corporate function	(1,355,293)	(1,374,105)
Profit before income tax from continuing operations	6,193,835	2,109,063

¹Segment Adjusted EBIT is for the operating divisions which excludes corporate costs and non-recurring items.

²Non-operating items includes professional fees related to completed and evaluated acquisitions and other non-recurring items.

³ Relates to a research and development tax incentive received from the IRD in New Zealand.

A reconciliation of Segment Adjusted EBIT to Adjusted Group EBIT is provided below:

	2023 \$	2022 \$
Segment Adjusted EBIT	7,502,557	5,559,994
Adjusted EBIT for Group Corporate function	(1,355,293)	(1,374,105)
Adjusted Group EBIT	6,147,264	4,185,889

10. Other expenses

	2023 \$	2022 \$
Audit fees	227,985	223,240
Bank fees and charges	104,639	108,002
Legal fees	428,670	276,118
Loss on disposal of fixed property, plant and equipment	10,315	103,384
Motor vehicle expenses	622,709	491,907
Travel and accommodation	840,523	511,542
Insurance	404,681	332,178
Telephone and communications	489,360	378,043
Other site service costs	2,182,115	1,608,719
Licencing authority fees	3,127,468	2,435,788
Recruitment expenses	247,744	251,515
Repairs and maintenance	752,533	698,749
IT Support	384,853	357,326
Professional fees related to completed and evaluated business acquisitions	553,996	129,882
Financial reporting system implementation	55,000	114,943
Bad debts provision and write-offs	414,713	607,703
Debt recovery costs	3,199,307	2,822,080
Other expenses	2,566,483	2,511,041
	16,613,094	13,962,160

11. Income tax benefit/(expense)

	Consolidated 2023 \$	2022 \$
Income tax benefit/(expense)	189,315	(1,149,296)

The tax benefit in FY23 arises from the recognition of a deferred tax asset that relates to tax losses in New Zealand. Refer to note 17 for additional information. In addition, the Company was able to utilise its final historical UK losses to offset UK tax payable.

12. Other financial assets

	Consolidated 2023 \$	2022 \$
Cash held on behalf of customers	650,626	542,489

The Parking Management division collects cash from sites that it operates on behalf of customers on an ongoing basis. These amounts can be material. As cash is collected and banked, a corresponding liability is recognised for the same amount in Other Payables.

As payment terms vary between customers, the cash profile of collecting and remitting cash is variable and can have a material impact on the Company's Other Financial Assets at any one point in time. In previous financial reports, cash held on behalf of customers was included in cash and cash equivalents, but it is now recorded separately in Other Financial Assets so that the Company's cash balance reflects only cash beneficially owned by the Company.

13. Trade and other receivables

Current

Trade receivables	3,365,856	3,406,600
Provision for impairment of receivables	(663,433)	(365,521)
	<u>2,702,423</u>	<u>3,041,079</u>
Prepayments	1,083,539	948,749
Accrued Parking Breach Notice revenue ¹	9,008,812	5,570,555
Other receivables	935,640	433,626
	<u>13,730,414</u>	<u>9,994,009</u>

¹ The group recognises a year-end accrual for Parking Breach Notice infringements issued but which have not yet been received.

14. Property, plant and equipment

	Motor Vehicles	Office Equipment	Plant and Equipment	Leasehold Improve- ments	Total
	\$	\$	\$	\$	\$
Consolidated					
Year ended 30 June 2023					
Opening net book amount	31,773	181,361	7,634,540	377,999	8,225,673
Additions	51,726	65,565	4,183,094	95,284	4,395,669
Disposals	(8,222)	869	(215,845)	(4,238)	(227,436)
Depreciation charge for the year	(21,984)	(89,067)	(2,782,984)	(41,207)	(2,935,242)
Foreign exchange translation	2,981	6,733	506,816	32,896	549,426
Closing net book amount	56,274	165,461	9,325,621	460,734	10,008,090
At 30 June 2023					
Cost or fair value	317,003	643,445	24,616,869	758,140	26,335,457
Accumulated depreciation & impairment	(260,729)	(477,984)	(15,291,248)	(297,406)	(16,327,367)
Net book amount	56,274	165,461	9,325,621	460,734	10,008,090

15. Intangible assets

	Software	Developed Technology	Goodwill	Customer Relation- ships	Other intangible assets	Total
	\$	\$	\$	\$	\$	\$
Year ended 30 June 2023						
Opening net book amount	225,172	264,920	1,965,840	1,391,616	-	3,847,548
Additions	125,865	292,057	-	-	-	417,922
Disposals	(18,865)	-	-	-	-	(18,865)
Amortisation charge	(91,855)	(97,760)	-	(326,453)	-	(516,068)
Exchange differences	9,029	-	157,641	90,037	-	256,707
Closing net book amount	249,346	459,217	2,123,481	1,155,200	-	3,987,244
At 30 June 2023						
Cost	1,697,653	6,452,024	3,075,863	1,740,056	17,318	12,982,914
Accumulated amortisation and impairment	(1,448,307)	(5,992,807)	(952,382)	(584,856)	(17,318)	(8,995,670)
Net book amount	249,346	459,217	2,123,481	1,155,200	-	3,987,244

16. Trade and other payables

	Consolidated 2023 \$	2022 \$
Current		
Trade payables	2,553,275	3,713,236
Related party payables	3,907	120,799
Other payables	8,305,005	6,776,009
	<u>10,862,187</u>	<u>10,610,044</u>

All current trade and other payables are expected to be settled within 12 months. Other payables include \$650,626 (2022: \$542,489) payable to customers for cash that Smart Parking UK has collected and counted on behalf of customers, the associated cash for this is included in Other financial assets. Refer to Note 12.

17. Deferred tax

The balance is attributable to:

	Consolidated 2023 \$	2022 \$
Deferred tax asset - tax losses	805,844	104,914
Deferred tax liabilities - other temporary differences	(994,133)	(878,136)
Deferred Tax Asset/(Liabilities)	<u>(188,289)</u>	<u>(773,222)</u>

The deferred tax asset relates to tax losses in New Zealand. In addition to the \$0.8m recognised deferred tax asset, there is an additional unrecognised deferred tax asset of \$2.9m relating to \$10.2m of New Zealand tax losses.

18. Reserves

	Consolidated 2023 \$	2022 \$
Share based payments	4,011,672	3,769,722
Foreign currency translation	1,234,413	861,214
	<u>5,246,085</u>	<u>4,630,936</u>

19. Reconciliation of cash flows from operating activities

Reconciliation of Cash Flow from Operations
with Profit after Income Tax

	2023	2022
	\$	\$
Profit after income tax for the period	6,383,150	959,767
Adjustments for:		
Loss on disposal of plant and equipment	10,315	103,384
Depreciation and amortisation expense	5,372,465	4,482,710
Interest received	(125,528)	(2,085)
Interest expense	643,083	704,779
Share-based payments expense	241,950	218,338
Net foreign exchange differences	(1,166,991)	1,086,096
Change in operating assets and liabilities, net of effects from purchase of controlled entity: (Increase)/decrease in trade receivables and contract assets	1,074,851	(724,360)
Decrease in inventories	254,797	293,204
Increase in other current assets	(4,183,198)	(2,769,326)
Increase in trade payables and accruals	1,338,632	4,345,899
Decrease/(Increase) in net deferred tax and movement in tax payable	(557,030)	1,472,684
Net cash inflow from operations	9,286,496	10,171,090

20. Trends in Performance (Appendix 4E item 14.5)

Refer to the attached Market Announcement and Investor Presentation.

21. Other Factors that Affected Results in the Period or which are Likely to Affect the Results in the Future (Appendix 4E item 14.6)

Refer to the attached Market Announcement and Investor Presentation.

22. Associates and Joint Venture Entities *(Appendix 4E item 11)*

The Company does not hold any interests in Joint Ventures or Associates.

23. Other Significant Information *(Appendix 4E item 12)*

Refer to the attached Market Announcement and Investor Presentation for other significant information.

24. Audit Status *(Appendix 4E item 15)*

This report is based on accounts which are in the process of being audited.

25. Commentary on Results *(Appendix 4E item 14)*

Refer to the attached Market Announcement and Investor Presentation.

26. Significant Features of Operating Performance *(Appendix 4E item 14.3)*

Refer to the attached Market Announcement and Investor Presentation.