INTELLIGENT MONITORING GROUP LIMITED
ABN 36 060 774 227

ANNUAL REPORT
30 JUNE 2024

Contents

Directors	Peter Kennan	Non-Executive Chairman
	Dennison Hambling	Deputy Chairman and Managing Director
	Robert Hilton	Non-Executive Director
	Jason Elks	Non-Executive Director
	Mark Brisson	Non- Executive Director

Company secretary	Neil Green
Registered office	Suite 2, 1 Tully Road East Perth WA 6004 Telephone: 1300 THREAT (1300 847 328) Email: info@theimg.com.au PO Box 8523 CDC Perth WA 6000
Share register	Link Market Services Limited Level 12 QV1 Building, 250 St Georges Terrace Perth WA 6000 Telephone: 1300 554 474
Auditor	BDO Audit Pty Ltd Level 7 420 King Street Adelaide SA 5000
Solicitors	Jones Day Riverside Centre Level 31, 123 Eagle Street Brisbane QLD 4000
Stock exchange listing	Intelligent Monitoring Group Limited shares are listed on the Australian Securities Exchange (ASX code: IMB)
Website	www.theimg.com.au
Corporate Governance Statement	The directors and management are committed to conducting the business of Intelligent Monitoring Group Limited in an ethical manner and in accordance with the highest standards of corporate governance. Intelligent Monitoring Group Limited has adopted and has substantially complied with the ASX Corporate Governance Principles and Recommendations (Fourth Edition) ('Recommendations') to the extent appropriate to the size and nature of its operations. The Group's Corporate Governance Statement, which sets out the corporate governance practices that were in operation during the financial year and identifies and explains any recommendations that have not been followed, and the ASX Appendix 4G are released to the ASX on the same day the Annual Report is released. The Corporate Governance Statement can be found at www.theimg.com.au

Intelligent Monitoring Group Limited
Chair's letter
30 June 2024

Dear Fellow Shareholders,

I am pleased to present the Annual Report for Intelligent Monitoring Group Limited (ASX: IMB) (or "IMG") for the financial year ending 30 June 2024.

For the 12 months to 30 June 2024, IMG recorded an adjusted EBITDA of $32.6 million (with ADT included for an 11-month period) versus the most recent guidance of $32.0 - $32.5 million and the $29.8 million which were made prior to the ADT acquisition in August 2023.

This year has seen a continuation of the transformation and growth of IMG as it moves to become Australasia's leading security services provider. In particular, this year was dominated by the acquisition of ADT and the significant efforts taken to improve and position this business for significant growth in the coming years. At the end of this financial year and early in FY25, we welcomed Adeva, ACG, and Everjazz staff to our business as we rapidly bring ADT back to being Australia's leading security integrator. These acquisitions, along with organic growth in the commercial book, will drive the Company to higher levels still in FY25.

The Company finishes FY24 well capitalised with a clear growth strategy and focus on moving from being a listed micro-cap business to a small/mid-cap one. As a part of this evolution, we were pleased to welcome Mark Brisson to the board in May 2024. Mark joins IMG as a Non-Executive Director, having had a successful career in Security services, globally, but also in Australasia, as the head of Chubb in the region for over a decade.

Due to IMG's earlier history, it continues to have a significant amount of tax losses available ($23.4m), which should be valuable as they are utilised over coming years. The Company expects to work towards refinancing its current acquisition debt facility to a standard banking package in FY25, and post that should be in a position to consider future capital management strategies.

In closing, I wish to express my sincere appreciation to our shareholders for their ongoing support and to our increasingly deep management team for their dedication and diligence with the business this year. I look forward to engaging with you at our upcoming Annual General Meeting.

Peter Kennan
Chairman
Intelligent Monitoring Group Limited (ASX:IMB)
30 August 2024

Dear Fellow Shareholders,

FY2024 finished with the significant acquisition(s) of ACG Integration, Everjazz, and Adeva (now renamed Signature Security Group) and associated successful equity raise. These acquisitions were particularly exciting for Intelligent Monitoring Group (ASX:IMB) (or “IMG”) as they will improve our push back into commercial security (ACG & Everjazz) and also significantly help to improve the customer experience and delivery for both ADT and Signature customers – which will be particularly helpful as we look to accelerate our delivery of easier, better value, security systems for customers, in line with that available to customers overseas.

We are very aware of the risk of acquisitions, and these were only possible after significant work by the team in settling the ADT acquisition (which closed in August 2023 — thus delivering an 11-month result for IMG for 2024) and separating its systems from its prior owner.

IMG ends the year with four key operating divisions (ADT Aust, ADT NZ, Signature Security Group, and Intelligent Monitoring Solutions [IMS]) and a key growth strategy for each.

The key growth drivers for the business are:

1. The return of ADT Commercial to its historic leadership role. (Once >$130m pa revenue, now at ~$40m after the acquisitions)

2. The introduction of easy-to-use home security systems to change the value dynamic for homes and people under threat and lift low levels of penetration (<5%) for security services in Australasian homes to that of international levels (>20%).

3. The creation and growth of ADT Care and offering a wider range of solutions to an increasingly aging population (growing 8% pa) who wish and need to stay in their homes for longer or assist with assured care in professional environments.

4. Using advanced video monitoring solutions to assist in more proactive risk management of our clients and their client's assets.

After the significant steps taken this year, we are now well-positioned to lead these areas with the best technology and thereby make a significant contribution to businesses, communities, and individuals right across both Australia and New Zealand.

In the past 12 months, IMG has maintained a significant rate of progress, with five acquisitions (ADT [Aust & NZ], Securely NZ’s security assets, Adeva, ACG, and Everjazz), two capital raisings, and one refinancing. In the three and a half years since Peter Kennan and I first joined the board, IMG has gone from being a small loss-making business, operating with 5 subscale monitoring rooms on different platforms, to a business with over 500 staff in Australia and New Zealand.

One milestone that marks this achievement is ADT becoming the principal sponsor of the Australian Security Industry Association Limited (ASIAL) conference in August 2024. I remember the first year I attended this conference in 2022, and was impressed by the scale and size of the industry. It’s a satisfying achievement for the team to now be in a position to become part of the industry conversation.

We expect FY2025 to be another year of material progress for IMG, with growth expected from the upgraded pro-forma EBITDA base of $40.2m and the key refinancing (expected during FY2025) of our ADT-related debt package with a long-term senior facility to further improve profitability and cash flow. We look forward to seeing how far we can build the business over the next 12 months from this strong base.

In closing, The IMG team is working to introduce and infuse a culture of transparency, inclusiveness, and excellence across the whole business. My observation is that companies that can achieve a culture like this, at scale, have a strong chance of not just being able to deliver excellent results for all stakeholders but also persist to be enduring businesses of excellence longer term. That is our goal.

I want to thank IMG's staff and also those who have left the business during the past three years. In a business like this, which operates 24 hours a day, 365 days a year, it takes a team of dedicated, caring, and high-performing people to deliver the service that our customers seek day in and day out, and I am really proud to be part of the team.

I look forward to reporting back to you, our fellow owners, in 12 months' time.

Dennison Hambling
Managing Director
Intelligent Monitoring Group Limited (ASX:IMB)
30 August 2024

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

Directors

The following persons were directors of Intelligent Monitoring Group Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Peter Kennan	Non-Executive Chairman
Dennison Hambling	Deputy Chairman and Managing Director
Robert Hilton	Non-Executive Director
Jason Elks	Non-Executive Director
Mark Brisson	Non-Executive Director (appointed on 31 May 2024)

Principal activities

During the financial year the principal continuing activities of the Group consisted of the provision of security, monitoring and risk management services in Australia.

Dividends

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

Review of operations

The loss for the Group after providing for income tax and non-controlling interest amounted to $3,013,000 (30 June 2023: $11,857,000).

Financial performance

FY2024 was a significant year for the Group.

It has seen a continuation of the transformation and growth of the Group as it moves to become Australasia's leading Security services provider. In particular, this year was dominated by the acquisition of Tyco Australia Group Pty Limited ('ADT') and Adeva Home Solutions Pty Ltd ('Adeva').

Revenue from ordinary activities amounted to $121,796,000 (30 June 2023: $24,273,000). The increase on the comparative period benefited from the contribution of $95,395,000 from Tyco Australia Group Pty Ltd ('ADT') acquired on 1 August 2023.

The Group measures performance by Adjusted Earnings Before Interest, Tax, Depreciation and Amortisation ('EBITDA') to normalise for:

- Accounting treatment of transactions associated with the purchase, integration and rationalisation of business assets; and
- Non-cash items such as impairment and share-based payments.

The directors consider Adjusted EBITDA to reflect the core earnings of the Group. Adjusted EBITDA is a financial measure not prescribed by Australian Accounting Standards ('AAS') and represents the profit under AAS adjusted for non-cash and significant expenses. Adjusted EBITDA is a key measurement used by management and the board to assess and review business performance and accordingly the table below provides a reconciliation between loss after income tax benefit and Adjusted EBITDA.

	Consolidated	
	2024 $'000	2023 $'000
Loss before income tax benefit from continuing operations	(12,576)	(12,288)
Discontinued operations	(1,418)	431
Finance costs	16,007	5,383
Depreciation and amortisation in cost of services	10,057	516
Depreciation and amortisation expense	7,636	6,045
EBITDA	19,706	87
Adjustments		
Impairment of receivables	1,894	279
Impairment of assets	363	2,306
Business acquisition and integration costs	7,749	726
Loss on sale of investment	1,270	-
Share-based payment expense	1,433	254
Gain on acquisition of business	-	(102)
Adjusted EBITDA	32,415	3,550

The acquisition of ADT has improved the operating performance of the Group. Gross Profit from continuing activities for the period lifted from $9,519,000 to $46,844,000 and the adjusted EBITDA lifted by $28,865,000 on the comparative prior year period to $32,415,000, mainly driven by ADT's contribution of $28,025,000.

The loss for the Group after providing for income tax amounted to $3,097,000 (2023: $11,857,000).

The Group has increased finance costs compared with the prior year in line with the increased borrowing. Depreciation and amortisation expense in cost of services increased against the prior year due to the acquisition of ADT Intellectual property and Customer contracts.

The $2,300,000 of intangible assets impaired in the prior year relates to the impairment of the goodwill of MTG, as per impairment testing of MTG as a separate identifiable cash generating unit. A further $363,000 of MTG goodwill was impaired in the current financial year.

The Group has increased business acquisition and integration cost when compared to the prior year. These costs were incurred as part of the acquisition of ADT.

The loss on sale of investment was as a result of the disposal of the Advanced Inland Security Pty Ltd ('AIS') business during the period for a consideration of $2,800,000 resulting in a loss on sale before income tax of $1,270,000.

The net cash from current operating activities amounted to $20,900,000 (2023: $2,000,000), an improvement of $18,900,000.

The net cash generated from operating activities amounted to $8,085,000 (2023: net cash used in operating activities of $3,068,000), an improvement of $11,153,000, mainly driven by an increase in revenue to $121,796,000 (2023: $24,273,000) partly offset by an expected increase in cost of services operations and other cash expenses during the current year. Repayment of payment plans to the ATO amounted to $1,894,000 (2023: $2,074,000) for which the last monthly repayment will be in February 2027.

Net cash from financing activities amounted to $73,839,000 (2023: net cash used $4,797,000), generated from equity raising and the net proceeds from new borrowings after repayment of previous borrowings. This was offset by net cash used in investing activities that amounted to $61,647,000 (2023: $3,496,000). Net cash of $39,705,000 was paid for the acquisition of ADT and Adeva and the remainder for investment in capital expenditure and security deposits.

The Group’s net assets as at 30 June 2024 was $27,485,000 (2023: net liabilities of $1,706,000). This increase is driven by the ADT net assets acquired on 1 Aug 2023 amounting to $41,917,000, additional share capital raising net of costs amounting to $26,304,000, offset by an increase in borrowings of $50,006,000 when compared with prior year.

The Directors consider that the Group will continue as a going concern, as explained in note 2 to the financial statements.

Outlook

The Group expects FY2025 to be another year of material progress, with growth expected from the pro-forma EBITDA base of $38.6m (noted at the June equity raising) and the key refinancing (expected during FY2025) of our ADT-related debt package with a long-term senior facility to further improve profitability and cash flow. We look forward to seeing how far we can build the business over the next 12 months from this strong base.

Significant changes in the state of affairs

On 18 July 2023, the Company completed an equity raising via an accelerated non-renounceable Entitlement Offer. A total of $5,805,000 (before transaction costs) was raised for the issue of 36,282,407 shares in the Company at $0.16 each.

On 24 July 2023, the Company completed a top-up equity placement following the successful Entitlement Offer. A total of $2,717,000 (before transaction costs) was raised for the issue of 16,984,304 shares in the Company at $0.16 each.

On 1 August 2023 the Company acquired all the shares in Tyco Australia Group Pty Ltd ('ADT') for the consideration of $41,917,000. ADT is a leading security monitoring provider, providing security system installation, maintenance and monitoring services to residential, commercial and medical customers across Australia and New Zealand under the “ADT” brand. The acquisition will result in the lines monitored by the Group more than doubling to 180,000 with combined recurring monthly revenue above $6,500,000.

The Group funded the acquisition and refinanced its debt of $29,077,000 via a combination of a $80,000,000 3-year debt facility and the proceeds of $15,002,000 equity raisings, consisting of a $9,197,000 equity raising in the prior financial year and $5,805,000 in the current financial year.

The terms of the $80,000,000 debt facility with Tor Investment Management are:

- Cash interest rate of 10% per annum, payable quarterly;
- Payment in kind (PIK) interest 5% per annum;
- 3 year term until July 2026;
- No capital repayments for 18 months;
- Upfront fee of $2,400,000 paid at settlement; and
- Cash sweep above $20,000,000 cash during first six months, $15,000,000 during the next six months and $10,000,000 after 12 months.

On 30 November 2023 the Company sold Advanced Inland Security Pty Ltd ('AIS'), based in Tamworth, to Rascal Security Pty Ltd, a local security service provider for the consideration of $2,800,000.

On 1 May 2024, Mammoth Security Pty Ltd (“Mammoth Security”) acquired all the shares in Adeva Home Solutions Pty Ltd ('Adeva') for the consideration of $2,535,000 ($535,000 in cash and $2,000,000 in shares in Mammoth Security). Adeva is a national security provider with a highly focused team of technicians that offers a wide range of intelligent products and services, including access control barriers, CCTV recording, innovative alarm systems, business intercoms and integrated solutions. The acquisition of Adeva is expected to add $9m in Revenue and $0.8m EBITDA to the Group in the next financial year.

On 4 June 2024, the Company completed an equity placement. A total of $19,316,000 (before transaction costs) was raised for the issue of 60,361,963 shares in the Company at $0.32 each.

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

Matters subsequent to the end of the financial year

ACG Integration Pty Ltd ('ACG')

On 1 July 2024, the Company acquired all the shares in ACG Integration Pty Ltd ('ACG') for the consideration of $14,173,000. ACG is a national security services provider that has a highly skilled and focused team of technicians and provides a wide range of security products and services. The cash payment was funded by the capital placement as announced on the ASX on 4 June 2024.

Everjazz Pty Limited ('Alarm Assets Group' or 'AAG')
On 1 July 2024, the Company acquired all the shares in Everjazz Pty Limited ('AAG') for the consideration of $1,500,000. AAG is a security services provider principally based in Western Australia, that has a highly skilled and focused team of technicians and provide a wide range of security products and services. The cash payment was funded by the capital placement as announced on the ASX on 4 June 2024.

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

Likely developments and expected results of operations

A detailed review of the Group's operations, including likely developments and plans, is set out in the section titled 'Review of operations' in this annual report.

Business risks

The following is a summary of material business risks that could adversely affect the Group's financial performance and growth potential in future years and how we propose to mitigate such risks.

Macroeconomic risks
As the products sold by the Group are discretionary for many customers, the Group's financial performance can be impacted by current and future economic conditions which it cannot control, such as increases in interest rates and inflation. The Group stays abreast of these conditions, focuses on its internal debtor controls and diversifies its customer base to help manage these risks.

Competitive market and changes to market trends
The Group operates in a highly competitive market. Innovation is constant and superior products that may be released to the market could result in pricing pressures upon our product and result in unfavourable product positioning within the market. We manage this risk through maintaining product development teams that are highly experienced and remain abreast of the latest technological advances and implications for our current and future products. We also continue to invest in our brand which continues to be well regarded within Australia.

Privacy and data breach
It is the policy of the Group to operate our business in a manner that consistently meets or exceeds the legal rights of persons regarding the privacy and confidentiality of information relating to them by ensuring compliance with the provisions of relevant privacy legislation. We ensure that only such information as is necessary for employment and business purposes is collected and that this information will only be accessible by persons who are specifically authorised to access the information.

Work, health and safety ('WHS')
As part of the Group's commitment to achieving the principles of health and safety in the workplace, we recognise our moral and legal responsibility to provide a safe and healthy work environment for our staff, contractors, customers, and visitors. This commitment also extends to ensuring the establishment of measurable objectives and targets to ensure continued improvement aimed at the elimination of work-related injuries and illnesses.

The Group will continue to fulfil the aims and objectives of its WHS policy by using documented WHS aims, objectives and targets to allow evaluation of our WHS performance. Audits will be carried out to assess the extent to which WHS objectives and targets have been reached, and to assess the continuing suitability of the plan in relation to changing conditions and information regarding hazards, risks, processes, materials, etc., and the concerns of relevant interested parties.

Regulatory compliance
The Group is subject to several Australian laws and regulations such as State licencing requirements, consumer protection laws, privacy laws and those relating to workplace health and safety. The Group maintains sufficient internal controls and staff are inducted and trained to ensure continued compliance. All operating staff are personally licensed in accordance with specific State requirements.

Cybersecurity and Information technology ('IT') infrastructure
During the financial year, the Group engaged the services of a consultant, CrowdStrike. The cybersecurity services were delivered through the CrowdStrike Falcon platform. The consultant delivered cybersecurity prevention policies, 24/7 monitoring of cybersecurity incidents, remediation of incidents and regular reporting.

Reliance on key personnel
The Group is engaged in activities during the financial year to develop the skills and experience of potential successors as part of its succession planning initiatives. It is anticipated that the targeted acquisitions around the end of the financial year, lifting total staff numbers to more than 500, will reveal several individuals vital to the Group's succession planning.

Environmental regulation
The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

Information on directors

Name:	Peter Kennan
Title:	Non-Executive Chairman
Qualifications:	B.Eng (Hons), GDipAppFin
Experience and expertise:	Peter is CEO and CIO of Black Crane Capital. The Black Crane Asia Pacific Opportunities Fund, managed by Black Crane Capital, is a substantial shareholder of the Company. Prior to founding Black Crane in 2009, Peter was a leading corporate financier with UBS Asia Pacific. He has 25 years of investment and corporate finance experience across a diverse range of sectors and transactions. With UBS, Peter was Head of Asian Industrials Group for UBS Asia, a corporate finance sector team covering energy and infrastructure, with number 1 team rating in Asia in 2006 and 2007. Peter was also the Head of Telecoms and Media sector team for UBS Australia, specialising in mergers and acquisitions and advising on many large complex transactions. Prior to UBS, Peter spent seven years with BP in a variety of engineering and commercial roles.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	141,779,671 ordinary shares
Interests in options:	None
Interests in rights:	None

Name:	Dennison Hambling
Title:	Deputy Chairman and Executive Director. Appointed as Deputy Chairman on 9 July 2021 and appointed as Executive Director on 13 August 2021. Appointed as Managing Director on 5 July 2022.
Qualifications:	M.Com (Hons) in economics, CFA Charterholder
Experience and expertise:	Dennison is a professional investor and company advisor. Dennison has over 22 years of capital market experience having been head of Public & Private Equity at 360 Capital, CIO at First Samuel, and Portfolio Manager at Cooper investors. He is currently a Non-Executive Director of Cardioscan Pty Ltd.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Member of the Audit Committee
Interests in shares:	698,585 ordinary shares
Interests in options:	None
Interests in rights:	9,700,000 performance rights over ordinary shares

Name:	Robert Hilton
Title:	Non-Executive Director
Experience and expertise:	Robert founded The Promotions Factory (now TPF Group) in 1988 and has 34 years of experience in Sales and Marketing. He has built promotional strategies and executed global award winning campaigns for the biggest brands in Australia. Robert is also the founder of Mammoth Technology Group.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	8,799,667 ordinary shares
Interests in options:	None
Interests in rights:	None

Name:	Jason Elks
Title:	Non-Executive Director
Qualifications:	Bachelor of Laws, Masters of Management (Human Resources)
Experience and expertise:	Jason is a skilled and seasoned executive who has been involved in significant organisations and led change and growth strategies. He has hands on experience in both change and growth stages of a business.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chairman of the Audit Committee
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

Name:	Mark Brisson
Title:	Non-Executive Director
Qualifications:	Bachelor of Arts (Political Science), HKIOD Diploma of Directorship and Fellow of the Hong Kong Institute of Directors
Experience and expertise:	Mark has over 25 years of international experience within the Security, Monitoring, Manpower, Cash Logistics, and Fire industries. He spent 11 years based in Sydney as the President of Chubb Fire and Security Australasia, managing numerous M&A and growth-related activities. During his time in Australia, he also served as the President of The United Technologies Building and Industrial Services Division, which, in addition to Chubb, included the Otis Elevator, Fire and Security Products, and Carrier Businesses. Prior to locating to Australia, he spent 20 years based in Hong Kong where he held various Sales and P&L roles, including General Manager Sales and Marketing Asia, as well as the Managing Director of Chubb/Guardforce Fire and Security covering Hong Kong, Macau, Taiwan, and Southern China. He obtained a BA in Political Science from Simon Fraser University in Canada, holds an HKIOD Diploma of Directorship, and is a Fellow of the Hong Kong Institute of Directors. Mark currently is an Independent Non Executive Director of the Nasdaq-listed Shine Union Group and advises a number of overseas startups and security-related companies.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	None
Interests in options:	None
Interests in rights:	None

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

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

Company secretary

Neil Green was appointed as Company Secretary in September 2022 and is also the Company's Chief Risk Officer. Neil has been with the Company, and its predecessor businesses, since 1998. He holds a Bachelor of Business, and a Bachelor of Laws, and is a Fellow of the Governance Institute of Australia. He has prior experience as a public company secretary and brings a deep breadth of relevant security experience to the senior executive of the Company.

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

	Full Board		Audit Committee	
	Attended	Held	Attended	Held
Peter Kennan	6	6	2	2
Dennison Hambling	6	6	2	2
Robert Hilton	5	6	-	-
Jason Elks	3	6	2	2
Mark Brisson	1	1	-	-

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

At the date of this Directors' report, there are currently no nomination, finance, due diligence or operations committees. The Directors believe that the Company is not currently of a size nor are its affairs of such complexity as to warrant the establishment of these separate committees. Accordingly, all matters capable of delegation to such committees are considered by the Board of Directors in its entirety.

Remuneration report (audited)
The remuneration report details the key management personnel remuneration arrangements for the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness;
- acceptability to shareholders;
- performance linkage / alignment of executive compensation; and
- transparency.

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the Group depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the Group.

The reward framework is designed to align executive reward to shareholders' interests. The Board has considered that it should seek to enhance shareholders' interests by:
- having economic profit as a core component of plan design;
- focusing on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value; and
- attracting and retaining high calibre executives.

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience;
- reflecting competitive reward for contribution to growth in shareholder wealth; and
- providing a clear structure for earning rewards.

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors' remuneration
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed annually by the Board. The Board may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration.

ASX listing rules require the aggregate non-executive directors' remuneration be determined periodically by a general meeting. The most recent determination was at the Annual General Meeting held on 28 November 2019, where the shareholders approved a maximum annual aggregate remuneration of $500,000.

Executive remuneration
The Group aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits;
- short-term performance incentives;
- long-term incentives; and
- other remuneration such as superannuation and long service leave.

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board based on individual and business unit performance, the overall performance of the Group and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the Group and provides additional value to the executive.

The long-term incentives ('LTI') are share-based payments in the form of performance rights. The performance conditions include increase in shareholders' value relative to the entire market and the increase compared to the Group's direct competitors. Refer to 'Share-based compensation' section below for more information on performance rights issued to executives.

Group performance and link to remuneration
Remuneration for certain individuals is directly linked to the performance of the Group. A portion of cash bonus and incentive payments are dependent on defined earnings per share targets being met. The remaining portion of the cash bonus and incentive payments are at the discretion of the Board. Refer to the section 'Additional information' below for details of the earnings and total shareholders return for the last five years.

The Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Use of remuneration consultants
During the financial year ended 30 June 2024, the Group had not engaged any remuneration consultants to review or advise upon its existing remuneration policies.

Voting and comments made at the Company's 2023 Annual General Meeting ('AGM')
At the 2023 AGM, 98.07% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2023. The Company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

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

The key management personnel ('KMP') of the Group consisted of the directors of Intelligent Monitoring Group Limited and the following persons:
- Neil Green (identified as KMP on 1 July 2023)
- Jason Biddell - Chief Financial Officer (acting from 8 February 2024 and appointed on 20 May 2024)
- Roy Kelly - Chief Financial Officer (resigned on 1 December 2023)

	Short-term benefits			Post-employment benefits		Equity-settled Share-based payments	
2024	**Cash salary, fees and leave $**	**Cash bonus $**	**Other * $**	**Super-annuation $**	**Termination benefits $**	**Performance rights $**	**Total $**
Non-Executive Directors:							
Peter Kennan	55,000	-	-	-	-	-	55,000
Robert Hilton	3,165	-	72,450	348	-	-	75,963
Jason Elks	42,211	-	-	4,643	-	-	46,854
Mark Brisson	3,930	-	-	-	-	-	3,930
Executive Directors:							
Dennison Hambling	363,395	281,250	35,968	27,399	-	1,433,083	2,141,095
Other Key Management Personnel:							
Neil Green	185,842	10,000	16,800	21,543	-	-	234,185
Jason Biddell	106,332	-	-	11,766	-	-	118,098
Roy Kelly **	131,576	-	-	14,473	-	-	146,049
	891,451	291,250	125,218	80,172	-	1,433,083	2,821,174

* The 'Other' category represents motor vehicle allowances and rent payments.
** Represents remuneration to the date of resignation.

2023	Short-term benefits: Cash salary, fees and leave $	Short-term benefits: Cash bonus $	Short-term benefits: Other * $	Post-employment benefits: Super-annuation $	Termination benefits $	Equity-settled Share-based payments: Performance rights $	Total $
Non-Executive Directors:							
Dimitri Bacopanos **	12,000	-	-	-	-	-	12,000
Jason Elks	22,615	-	-	2,375	-	-	24,990
Robert Hilton ***	6,154	-	-	646	-	-	6,800
Peter Kennan	55,000	-	-	-	-	-	55,000
Executive Directors:							
Dennison Hambling	322,018	-	-	25,062	-	254,578	601,658
Robert Hilton	91,825	-	-	9,642	-	-	101,467
Other Key Management Personnel:							
Roy Kelly	235,579	-	-	22,888	-	-	258,467
John Hallam **	45,562	-	3,077	4,765	30,000	-	83,404
Rajesh Tailor **	30,754	-	-	2,999	-	-	33,753
	821,507	-	3,077	68,377	30,000	254,578	1,177,539

* The 'Other' category represents motor vehicle allowances.
** Represents remuneration to the date of resignation.
*** Executive Director from 5 July 2022 until 8 May 2023, Non-Executive Director from 9 May 2023.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration 2024	Fixed remuneration 2023	At risk - STI 2024	At risk - STI 2023	At risk - LTI 2024	At risk - LTI 2023
Non-Executive Directors:						
Peter Kennan	100%	100%	-	-	-	-
Robert Hilton	100%	100%	-	-	-	-
Jason Elks	100%	100%	-	-	-	-
Mark Brisson	100%	-	-	-	-	-
Dimitri Bacopanos	-	100%	-	-	-	-
Executive Directors:						
Dennison Hambling	20%	58%	80%	42%	-	-
Other Key Management Personnel:						
Neil Green	96%	-	4%	-	-	-
Jason Biddell	100%	-	-	-	-	-
Roy Kelly	100%	100%	-	-	-	-
John Hallam	-	100%	-	-	-	-
Rajesh Tailor	-	100%	-	-	-	-

The proportion of the cash bonus paid/payable or forfeited is as follows:

Name	Cash bonus paid/payable 2024	Cash bonus paid/payable 2023	Cash bonus forfeited 2024	Cash bonus forfeited 2023
Executive Directors:				
Dennison Hambling	100%	-	-	-
Other Key Management Personnel:				
Neil Green	100%	-	-	-

Service agreements

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

Name:	Peter Kennan
Title:	Non-Executive Chairman
Agreement commenced:	20 January 2020
Term of agreement:	Peter’s appointment has been made pursuant to the Company’s Constitution and he will be required to retire by rotation periodically in accordance with the Constitution. Peter may resign from office at any time.
Details:	Peter’s remuneration is set at $55,000 per annum from 9 July 2021 plus statutory superannuation, where applicable.

Name:	Dennison Hambling
Title:	Managing Director
Agreement commenced:	1 July 2022
Term of agreement:	The agreement may be terminated by either the Company or Dennison by giving at least three months’ notice. Dennison is also prohibited from competing with the Company for three months following the termination. If the Company enforces this restriction, the Company will continue to pay Dennison his remuneration during that period.
Details:	Dennison’s remuneration is set at $325,000 per annum (inclusive of statutory superannuation).

Name:	Jason Biddell
Title:	Chief Financial Officer (appointed on 8 February 2024)
Agreement commenced:	8 February 2024
Term of agreement:	The agreement may be terminated by either the Company or Jason by giving at least four weeks’ written notice. Jason is also prohibited from competing with the Company for three months following the termination. If the Company enforces this restriction, the Company will continue to pay Jason his remuneration during that period.
Details:	Jason’s remuneration is set at $280,000 per annum (exclusive of statutory superannuation).

Name:	Neil Green
Title:	Chief Risk Officer and Company Secretary
Agreement commenced:	12 September 2022
Term of agreement:	The agreement may be terminated by either the Company or Neil by giving at least three months’ written notice. Neil is also prohibited from competing with the Company for three months following the termination. If the Company enforces this restriction, the Company will continue to pay Neil his remuneration during that period.
Details:	Neil’s remuneration is set at $205,000 per annum (exclusive of statutory superannuation and car allowance).

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

Share-based compensation

Performance rights

The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date *	Expiry date	Share price hurdle for vesting ***	Fair value per right at grant date ***
03/12/2021	Various *	03/12/2024	$0.600	$0.400
03/12/2021	Various *	03/12/2024	$0.800	$0.300
03/12/2021	Various *	03/12/2024	$1.000	$0.300
05/12/2022	Various *	01/12/2025	$0.180	$0.052
05/12/2022	Various *	01/12/2025	$0.225	$0.045
05/12/2022	Various *	01/12/2025	$0.300	$0.037
26/10/2023	Various **	31/12/2026	$0.300	$0.190
26/10/2023	Various **	30/06/2027	$0.300	$0.190

* The rights were valued independently using a hybrid up-and-in trinomial option pricing model with a Parisian barrier adjustment. The model takes into consideration that the rights may vest at any time throughout the performance period, given that the 20-day volume-weighted average price ('VWAP') of the Company's share exceed the respective VWAP barrier for each of the performance rights

Key vesting conditions of the rights are as follows:
Tranche 1 - Achieving an increase of 20% to the Company's capital raising offer price, being $0.005, based on the VWAP over 20 consecutive trading days.
Tranche 2 - Achieving an increase of 50% to the Company's capital raising offer price, being $0.005, based on the VWAP over 20 consecutive trading days.
Tranche 3 - Achieving an increase of 100% to the Company's capital raising offer price, being $0.005, based on the VWAP over 20 consecutive trading days.

** The rights were valued independently using a Black Scholes pricing model that takes into consideration the terms and conditions on which the award was granted.

Key vesting conditions of the rights are as follows:
Tranche 1 - 4,500,000 performance rights subject to a service vesting condition that Dennison Hambling remains employed by the Company as at 31 December 2023
Tranche 2 - 1,500,000 performance rights subject to a service vesting condition that Dennison Hambling remains employed by the Company as at 30 June 2024

*** The share price and the fair value of the rights have been adjusted to reflect the 1:100 consolidation of shares in December 2021.

Performance rights granted carry no dividend or voting rights.

The number of performance rights over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below:

Name	Number of rights granted during the year 2024	Number of rights granted during the year 2023	Number of rights vested during the year 2024	Number of rights vested during the year 2023
Dennison Hambling	6,000,000	1,850,000	-	-
Robert Hilton	-	5,000,000	-	-

Values of performance rights over ordinary shares granted, vested and lapsed for directors and other key management personnel as part of compensation during the year ended 30 June 2024 are set out below:

Name	Value of rights granted during the year $	Value of rights vested during the year $	Value of rights lapsed during the year $	Remuneration consisting of rights for the year %
Dennison Hambling	1,140,000	-	-	67%

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

	2024 $'000	2023 $'000	2022 $'000	2021 $'000	2020 $'000
Sales revenue	121,796	24,273	23,088	25,465	27,633
Profit/(loss) after income tax	(37,097)	(11,857)	(4,177)	(15,658)	(32,380)

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

	2024	2023	2022	2021	2020
Share price at financial year end ($)	0.43	0.16	0.08	0.02	0.05
Basic earnings per share (cents per share)	(1.27)	(9.02)	(8.15)	(6.50)	(14.32)

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

	Balance at the start of the year	Held prior to appointment as director	Additions	Disposals	Balance at the end of the year
Ordinary shares					
Peter Kennan	137,605,670	-	4,174,001	-	141,779,671
Dennison Hambling	601,796	-	348,489	(251,700)	698,585
Robert Hilton	8,799,667	-	-	-	8,799,667
	147,007,133	-	4,522,490	(251,700)	151,277,923

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

	Balance at the start of the year	Granted and Vested	Exercised	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Dennison Hambling	3,700,000	6,000,000	-	-	9,700,000
	3,700,000	6,000,000	-	-	9,700,000

Other transactions with key management personnel and their related parties
The following transactions occurred with related parties:

	Consolidated 2024 $	Consolidated 2023 $
Goods and services provided to key management personnel on commercial terms (Group income):		
Dimitri Bacopanos	-	219
Employment of spouses and children of key management personnel (Group expense)		
Amounts include salary, fees and superannuation.		
Douglas Hambling (Dennison Hambling's son)	-	484
Related entity: Black Crane Advisors Limited		
Black Crane Advisors Limited is a company controlled by Mr Peter Kennan which provided debt advisory and underwriting services to Intelligent Monitoring Group Limited during the period.		
- Strategic financial advisory services	-	350,000
- Debt capital advisory services	-	300,000
- Advisory services in relation to ADT acquisition	1,275,000	-
- Underwriting in relation to capital raise	-	600,000
Interest expense on Black Crane borrowing	-	55,683
Loan Facility fee on Black Crane borrowing	-	75,000
	1,275,000	1,380,683

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

Loans from related parties
There were no loans receivable or payable to related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates, except for the loan from Black Crane mentioned above.

This concludes the remuneration report, which has been audited.

Shares under option
There were no unissued ordinary shares of Intelligent Monitoring Group Limited under option outstanding at the date of this report.

Shares under performance rights
Unissued ordinary shares of Intelligent Monitoring Group Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under rights
03/12/2021	03/12/2024	$0.000	1,850,000
05/12/2022	04/12/2025	$0.000	1,850,000
26/10/2023	31/12/2026	$0.000	4,500,000
26/10/2023	30/06/2027	$0.000	1,500,000
			9,700,000

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

Shares issued on the exercise of options
There were no ordinary shares of Intelligent Monitoring Group Limited issued on the exercise of options during the year ended 30 June 2024 and up to the date of this report.

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

Shares under warrants
Unissued ordinary shares of Intelligent Monitoring Group Limited under warrants at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under warrants
01/08/2023	01/08/2028	$0.000	18,742,991

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

Shares issued on the exercise of warrants
There were no ordinary shares of Intelligent Monitoring Group Limited issued on the exercise of warrants during the year ended 30 June 2024 and up to the date of this report.

Indemnity and insurance of officers
The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial year, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the Company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 24 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 24 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:
- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including Independence Standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

Officers of the Company who are former partners of BDO Audit Pty Ltd
There are no officers of the Company who are former partners of BDO Audit Pty Ltd.

Rounding of amounts
The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

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 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Dennison Hambling
Managing Director

30 August 2024

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Australia

DECLARATION OF INDEPENDENCE
BY ANDREW TICKLE
TO THE DIRECTORS OF INTELLIGENT MONITORING GROUP LIMITED

As lead auditor of Intelligent Monitoring Group Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Intelligent Monitoring Group Limited and the entities it controlled during the period.

Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 30 August 2024

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Intelligent Monitoring Group Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Revenue			
Revenue from contracts with customers	5	121,796	24,273
Cost of services - operations		(64,895)	(14,238)
Cost of services - depreciation and amortisation	7	(10,057)	(516)
Total cost of services		(74,952)	(14,754)
Gross margin		46,844	9,519
Other income including interest received	6	148	189
Interest revenue calculated using the effective interest method		260	-
Expenses			
Administration		(21,148)	(5,878)
Compliance and regulatory costs		(1,341)	(728)
Marketing and business development expenses		(2,257)	(397)
Depreciation and amortisation	7	(7,636)	(6,045)
Business acquisition and integration		(7,749)	(726)
Impairment of receivables		(1,894)	(279)
Impairment of assets	7	(363)	(2,306)
Share-based payments		(1,433)	(254)
Finance costs	7	(16,007)	(5,383)
Loss before income tax benefit from continuing operations		(12,576)	(12,288)
Income tax benefit	8	10,897	-
Loss after income tax benefit from continuing operations		(1,679)	(12,288)
(Loss)/profit after income tax expense from discontinued operations	9	(1,418)	431
Loss after income tax benefit for the year		(3,097)	(11,857)
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(411)	-
Other comprehensive loss for the year, net of tax		(411)	-
Total comprehensive loss for the year		(3,508)	(11,857)
Loss for the year is attributable to:			
Non-controlling interest		(84)	-
Owners of Intelligent Monitoring Group Limited		(3,013)	(11,857)
		(3,097)	(11,857)
Total comprehensive loss for the year is attributable to:			
Continuing operations		(84)	-
Discontinued operations		-	-
Non-controlling interest		(84)	-
Continuing operations		(2,006)	(12,288)
Discontinued operations		(1,418)	431

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

	Note	Consolidated 2024 $'000	2023 $'000
Owners of Intelligent Monitoring Group Limited		(3,424)	(11,857)
		(3,508)	(11,857)
		Cents	Cents
Earnings per share for loss from continuing operations attributable to the owners of Intelligent Monitoring Group Limited			
Basic earnings per share	34	(0.69)	(9.35)
Diluted earnings per share	34	(0.69)	(9.35)
Earnings per share for profit/(loss) from discontinued operations attributable to the owners of Intelligent Monitoring Group Limited			
Basic earnings per share	34	(0.58)	0.33
Diluted earnings per share	34	(0.58)	0.33
Earnings per share for loss attributable to the owners of Intelligent Monitoring Group Limited			
Basic earnings per share	34	(1.27)	(9.02)
Diluted earnings per share	34	(1.27)	(9.02)

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

Intelligent Monitoring Group Limited
Consolidated statement of financial position
As at 30 June 2024

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Assets			
Current assets			
Cash and cash equivalents		25,546	5,269
Trade and other receivables	10	19,453	3,807
Contract assets	11	144	39
Finished goods		5,169	820
Other		7,553	448
Total current assets		57,865	10,383
Non-current assets			
Trade and other receivables	10	2,800	-
Property, plant and equipment	12	16,002	906
Right-of-use assets	13	8,976	953
Intangibles	14	68,728	24,077
Other		2	99
Total non-current assets		96,508	26,035
Total assets		154,373	36,418
Liabilities			
Current liabilities			
Trade and other payables	15	20,176	5,931
Contract liabilities	16	2,882	543
Borrowings	17	21,430	29,120
Lease liabilities	18	2,326	284
Income tax payable	8	1,791	-
Provisions	19	6,292	1,393
Total current liabilities		54,897	37,271
Non-current liabilities			
Borrowings	17	57,749	-
Lease liabilities	18	7,474	718
Deferred tax liability		2,966	-
Provisions	19	3,802	135
Total non-current liabilities		71,991	853
Total liabilities		126,888	38,124
Net assets/(liabilities)		27,485	(1,706)
Equity			
Issued capital	20	111,602	84,859
Reserves	21	6,095	762
Accumulated losses		(90,340)	(87,327)
Equity/(deficiency) attributable to the owners of Intelligent Monitoring Group Limited		27,357	(1,706)
Non-controlling interest		128	-
Total equity/(deficiency)		27,485	(1,706)

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

Intelligent Monitoring Group Limited
Consolidated statement of changes in equity
For the year ended 30 June 2024

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Non-controlling interest $'000	Total deficiency in equity $'000
Balance at 1 July 2022	76,006	625	(76,183)	-	448
Loss after income tax expense for the year	-	-	(11,857)	-	(11,857)
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive loss for the year	-	-	(11,857)	-	(11,857)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 20)	8,853	-	-	-	8,853
Share-based payments (note 35)	-	254	-	-	254
Performance rights forfeited	-	(117)	117	-	-
Cancellation of performance rights	-	-	596	-	596
Balance at 30 June 2023	84,859	762	(87,327)	-	(1,706)

Consolidated	Issued capital $'000	Reserves $'000	Accumulated losses $'000	Non-controlling interest $'000	Total equity $'000
Balance at 1 July 2023	84,859	762	(87,327)	-	(1,706)
Loss after income tax benefit for the year	-	-	(3,013)	(84)	(3,097)
Other comprehensive loss for the year, net of tax	-	(411)	-	-	(411)
Total comprehensive loss for the year	-	(411)	(3,013)	(84)	(3,508)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 20)	26,743	-	-	-	26,743
Value of shares issued in subsidiary as part of business combination (note 28)	-	-	-	2,000	2,000
Shares bought back in subsidiary	-	-	-	(1,788)	(1,788)
Share-based payments (note 35)	-	5,744	-	-	5,744
Balance at 30 June 2024	111,602	6,095	(101,080)	128	27,485

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

	Note	Consolidated 2024 $'000	Consolidated 2023 $'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		133,043	34,698
Payments to suppliers and employees (inclusive of GST)		(112,143)	(32,698)
Net cash from current operating activities		20,900	2,000
Interest received		260	8
Interest and other finance costs paid		(11,181)	(3,002)
Repayment of payment plans *		(1,894)	(2,074)
Net cash from/(used in) operating activities	31	8,085	(3,068)
Cash flows from investing activities			
Payment for business acquisitions, net of cash acquired	28	(39,705)	(1,921)
Payments for property, plant and equipment		(2,426)	(252)
Payments for intangibles		(17,008)	(1,232)
Payments for security deposits		(2,521)	(91)
Proceeds from disposal of property, plant and equipment		13	-
Net cash used in investing activities		(61,647)	(3,496)
Cash flows from financing activities			
Proceeds from issue of shares (net of transaction costs)	20	26,092	8,133
Proceeds from borrowings		80,596	1,575
Repayment of borrowings		(29,895)	(4,654)
Repayment of lease liabilities		(2,954)	(257)
Net cash from financing activities		73,839	4,797
Net increase/(decrease) in cash and cash equivalents		20,277	(1,767)
Cash and cash equivalents at the beginning of the financial year		5,269	7,036
Cash and cash equivalents at the end of the financial year		25,546	5,269

* The ATO debt was incurred from operating activities in reporting periods prior to 2022, therefore the repayment of the ATO debt is not a current operating activity and has been disclosed separately for 30 June 2024 and 30 June 2023.

Note 1. General information

The financial statements cover Intelligent Monitoring Group Limited ('Company' or 'parent entity') as a Group ('The Group' or 'Group') consisting of Intelligent Monitoring Group Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Intelligent Monitoring Group Limited's functional and presentation currency.

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

Suite 2, 1 Tully Road
East Perth WA 6004

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 August 2024. The directors have the power to amend and reissue the financial statements.

Note 2. Material accounting policy information

The accounting policies that are material to the Group are set out below. The accounting policies adopted are consistent with those of the previous financial year, 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

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

The following Accounting Standards and Interpretations have been adopted from 1 July 2023:

- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2023-2 Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules

Going concern

For the year ended 30 June 2024, the Group recorded a loss before tax of $12,576,000 (2023: $12,288,000). As at 30 June 2024, the Group has working capital of $4,491,000 (2023: $26,888,000) which includes the $20,000,000 amount payable to Tor Investment Management under the debt facility with a further $15,000,000 disclosed as non-current but payable prior to the expected signing of the 2025 financial statements.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- the Directors have assessed the cash flow requirements for the 12-month period from the date of approval of the financial statements and its impact on the Group and believe there will be sufficient funds to meet the Group’s working capital requirements;
- the Group had a financing arrangement in place with Ares on 30 June 2023 of $29,077,305 (2022: $30,601,211). This facility was due to mature on 30 September 2023 but was settled in full on 1 August 2023;
- on 1 August 2023 the Group secured borrowings of $80,000,000. The funds were utilised to acquire ADT Australia and ADT New Zealand, settle all acquisition and debt facility costs, settle the borrowings from Ares (as detailed above) and the balance to be utilised as seed funding for the working capital for the ADT businesses. The Directors expect to meet all of the compliance covenants of the new financing arrangement and the Group will generate sufficient EBITDA to service these borrowings;
- a $15,000,000 Entitlement Offer and Top up Capital Raise of $2,700,000, were complete in July 2023 and the Capital Placement of $19,300,000 was complete in May 2024, which demonstrates the ability of the Group to raise funds as required;
- the Directors expect the Group to trade with a healthy EBITDA and generate sufficient positive operating cash flow; and
- the Directors have an appropriate plan to raise additional funds as and when required. The Company has a track record of successfully securing additional funding as and when required from both the debt and equity capital markets.

Note 2. Material accounting policy information (continued)

Accordingly, the Directors are satisfied that the going concern basis of preparation for the financial statements is appropriate.

Should the Group not achieve the outcomes outlined above, there may be a material uncertainty that may cast significant doubt upon whether the Group can continue as a going concern, and therefore whether it would realise its assets and discharge its liabilities in the ordinary course of business and at amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern.

Basis of preparation

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

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets at fair value through profit or loss.

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

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 27.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Intelligent Monitoring Group Limited as at 30 June 2024and the results of all subsidiaries for the year ended.

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

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

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

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

Note 2. Material accounting policy information (continued)

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Foreign currency translation
The financial statements are presented in Australian dollars, which is Intelligent Monitoring Group Limited's functional and presentation currency.

Foreign currency transactions
Foreign currency transactions are translated into the entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign operations
The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Revenue recognition
The Group recognises revenue as follows:

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group: 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.

Nature of goods and services
The following is a description of the nature and timing of the satisfaction of performance obligations and significant payment terms of the principal activities from which the Group generates revenue:

Note 2. Material accounting policy information (continued)

(a) *Ongoing services*
Revenue for ongoing services, such as those provided by the Group for alarm monitoring or static guarding, are contracted under either fixed term or ongoing service agreements. No other products or services are bundled in such contracts. Invoices are usually payable within 30 days and no element of financing is deemed present as the services are charged within standard credit terms which is consistent with industry practice. As such, revenue is recognised over time in line with AASB 15 principle with regard to the customer simultaneously receiving and consuming all of the benefits.

(b) *One-off services*
Revenue for ad hoc, one-off services, such as those provided by the Group for alarm system service and maintenance are contracted under short-term, low value service agreements which do not contain multiple deliverables or performance obligations. No other products or services are bundled in such contracts. Invoices are usually payable within 30 days and no element of financing is deemed present as the services are charged within standard credit terms which is consistent with industry practice. As such, revenue is recognised at a point in time when the service agreements are complete.

(c) *Equipment sales*
Revenue for equipment sales, is recognised when the customers obtain control of goods. This usually occurs when the goods are delivered. No other products or services are bundled in such contracts. Invoices are usually payable within 30 days and no element of financing is deemed present as the services are charged within standard credit terms which is consistent with industry practice.

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

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.

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.

Note 2. Material accounting policy information (continued)

Intelligent Monitoring Group Limited (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated Group under the tax consolidation regime. The head entity and each subsidiary in the tax consolidated Group continue to account for their own current and deferred tax amounts. The tax consolidated Group has applied the 'separate taxpayer within Group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated Group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated Group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated Group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated Group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

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

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 Group'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 Group'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 generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

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

Contract assets
Contract assets are recognised when the Group has transferred goods or services to the customer but where the Group is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Inventories
Finished goods are stated at the lower of cost and net realisable value on a 'first in first out' basis. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Note 2. Material accounting policy information (continued)

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.

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 plant and equipment over their expected useful lives as follows:

Plant and equipment	1 to 15 years
Motor vehicles	3 to 8 years
Monitoring infrastructure	1 to 20 years
Capital work-in-progress	Not depreciated until ready for use.

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

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

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

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

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

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

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

Research and development
Research costs are expensed in the period in which they are incurred. Development costs are capitalised when: it is probable that the project will be a success considering its commercial and technical feasibility; the Group is able to use or sell the asset; the Group has sufficient resources and intent to complete the development; and its costs can be measured reliably. Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 2 - 5 years.

Note 2. Material accounting policy information (continued)

Brands and intellectual property
Significant costs associated with brands and intellectual property are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 25 years.

Customer contracts
Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite life of 4 - 7 years.

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

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

Trade and other payables
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 days of recognition.

Contract liabilities
Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer.

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.

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

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

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

Note 2. Material accounting policy information (continued)

Provisions
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Contribution superannuation expense
Contributions to superannuation plans are expensed in the period in which they are incurred.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

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

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

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

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

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

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

Note 2. Material accounting policy information (continued)

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

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 used to measure fair value are those that are appropriate in the circumstances and which maximise the use of relevant observable inputs and minimise 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.

Business combinations

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

The acquisition method of accounting is used to account for business combinations when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. To determine whether a set of activities and assets constitutes a business, the Group has the choice to apply a `concentration test', which is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. Alternatively, to determine if a business has been acquired, the Group assesses whether (as a minimum) an input and substantive process has been acquired and whether there is an ability to produce outputs from these.

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

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

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

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

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

Note 2. Material accounting policy information (continued)

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

Earnings per share

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

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming conversion of all dilutive potential ordinary shares.

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.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group does not expect these amendments to have a material impact on the amounts recognised in prior periods or will affect the current or future periods. The main standards are listed below:

- AASB 18 Presentation and Disclosure in Financial Statements
- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current and AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements
- AASB 2023-5 Amendments to Australian Accounting Standards – Lack of Exchangeability
- AASB 2014-10 Sale or contribution of assets between investor and its associate or joint venture

Note 3. Critical accounting judgements, estimates and assumptions

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

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Monte-Carlo model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

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

Allowance for expected credit losses
The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 10, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

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

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

Income tax
The Group is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on the Group's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

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

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

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

Business combinations
As discussed in note 2, business combinations are initially accounted for on a provisional basis. The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Group taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have an impact on the assets and liabilities, depreciation and amortisation reported.

Capitalised development costs
Development costs have been capitalised as development assets in accordance with the accounting policy detailed in note 2. As at the reporting date management has assessed that all of the net capitalised development expenditure carried forward, comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads.

Note 4. Operating segments

Identification of reportable operating segments
The Group operates predominantly in the security services industry, providing security alarm monitoring and installations as well as security guarding services across Australia and New Zealand.

The Group has identified its operating segments based on the internal reports that are provided to the Board on a monthly basis that are used in determining the allocation of resources across the Group. Management has identified the operating segments of the Group based on the three distinctive types of services provided by the Group – security alarm and Video monitoring ('Monitoring'), security guarding and personnel services ('Protective services') and Alarm and Video installation and maintenance services ('Service').

Unless stated otherwise, all amounts reported to the Board, being the chief operating decision makers with respect to operating segments, are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group. Refer to note 5 for geographic information.

Intersegment transactions
An internally determined transfer price is set for all inter-segment sales. This price is based on what would be realised in the event that the sale or services was made to an external party at arm’s length. All such transactions are eliminated on consolidation of the Group’s financial statements.

Note 4. Operating segments (continued)

Intersegment receivables, payables and loans
Where an asset is used across multiple segments, the asset is allocated to the segment that receives majority economic value from that asset. In the majority of instances, segment assets are clearly identifiable on the basis of their nature and physical location.

Liabilities are allocated to segments where there is a direct nexus between the incurrence of the liability and the operations of the segment. Segment liabilities include trade and other payables and certain direct borrowings.

Unallocated items
Any items noted below as “unallocated” are not allocated to operating segments as they are not considered part of the core operations of any segment in particular.

Major customers
There was no customer that contributed more than 10% of revenues (2023: none).

Operating segment information

Consolidated - 2024	Monitoring $'000	Protective services $'000	Services $'000	Total $'000
Revenue				
Sales to external customers	81,608	1,603	38,585	121,796
Total revenue	81,608	1,603	38,585	121,796
Segment result	37,210	147	9,487	46,844
Other income including interest received				408
Administration expenses				(21,148)
Compliance and regulatory costs				(1,341)
Marketing and business development expenses				(2,257)
Depreciation and amortisation				(7,636)
Business acquisition and integration				(7,749)
Impairment of receivables				(1,894)
Impairment of assets				(363)
Share-based payments				(1,433)
Finance costs				(16,007)
Loss before income tax benefit				(12,576)
Income tax benefit				10,897
Loss after income tax benefit				(1,679)
Assets				
Segment assets	92,544	407	11,938	104,889
Unallocated assets				49,484
Total assets				154,373
Liabilities				
Segment liabilities	5,263	248	4,403	9,914
Unallocated liabilities				116,974
Total liabilities				126,888

Note 4. Operating segments (continued)

Consolidated - 2023	Monitoring $'000	Protective services $'000	Services $'000	Total $'000
Revenue				
Sales to external customers	20,511	2,034	1,728	24,273
Total revenue	20,511	2,034	1,728	24,273
Segment result	9,464	139	(84)	9,519
Other income including interest received				189
Administration expenses				(5,878)
Compliance and regulatory costs				(728)
Marketing and business development expenses				(397)
Depreciation and amortisation				(6,045)
Business acquisition and integration				(726)
Share-based payments				(279)
Impairment of receivables				(254)
Impairment of assets				(2,306)
Finance costs				(5,383)
Loss before income tax expense				(12,288)
Income tax expense				-
Loss after income tax expense				(12,288)
Assets				
Segment assets	25,645	617	1,175	27,437
Unallocated assets				8,981
Total assets				36,418
Liabilities				
Segment liabilities	4,542	228	-	4,770
Unallocated liabilities				33,354
Total liabilities				38,124

Note 5. Revenue

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

	Consolidated	
	2024 $'000	2023 $'000
Major product lines		
Ongoing services	97,085	21,694
One-off services	23,672	1,499
Equipment sales	1,039	1,080
	121,796	24,273
Geographical regions		
Australia	86,575	24,273
New Zealand	35,221	-
	121,796	24,273
Timing of revenue recognition		
Goods and services transferred at a point in time	23,981	3,138
Services transferred over time	97,815	21,135
	121,796	24,273

Note 6. Other income including interest received

	Consolidated	
	2024 $'000	2023 $'000
Net gain on acquisition of business	-	102
Net gain on settlement of contingent consideration	23	3
Interest received	-	8
Other income	125	76
Other income including interest received	148	189

Note 7. Expenses

	Consolidated	
	2024	2023
	$'000	$'000
Loss before income tax from continuing operations includes the following specific expenses:		
Depreciation		
Plant and equipment	262	366
Motor vehicles	24	42
Subscriber assets	2,924	-
Monitoring infrastructure	143	160
Buildings right-of-use assets	3,266	292
Total depreciation	6,619	860
Amortisation		
Development assets	312	199
Brands and intellectual property	323	3
Customer contracts	10,816	6,234
Less: Amortisation related to discontinued operations	(377)	(735)
Total amortisation	11,074	5,701
Total depreciation and amortisation	17,693	6,561
Impairment of assets		
Goodwill (note 14)	363	2,300
Development assets	-	6
Total impairment	363	2,306
Finance costs		
Interest and finance charges paid/payable on borrowings	15,245	5,308
Interest and finance charges paid/payable on lease liabilities	762	75
Finance costs expensed	16,007	5,383
Leases		
Low-value assets lease payments	1,097	6
Superannuation expense		
Superannuation contribution expense	2,913	1,096
Employee benefits expense excluding superannuation		
Employee benefits expense excluding superannuation	46,789	13,523

Note 8. Income tax

	Consolidated	
	2024 $'000	2023 $'000
Income tax benefit		
Deferred tax - origination and reversal of temporary differences	(13,052)	-
Current tax	2.155	-
Aggregate income tax benefit	(10,897)	-
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit from continuing operations	(12,576)	(12,288)
(Loss)/profit before income tax expense from discontinued operations	(1,418)	431
	(13,994)	(11,857)
Tax at the statutory tax rate of 30% (2023: 25%)	(4,198)	(2,964)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Deductible equity raising costs	(311)	(218)
Non-deductible expenses	3,141	999
Non-assessable income	-	(38)
	(1,368)	(2,221)
Current year tax losses not recognised	-	1,896
Recognition of previously unrecognised prior year tax losses	(4,831)	-
Utilisation of previously unrecognised tax losses	(2,189)	-
Prior year temporary difference not recognised now recognised	(2,509)	
Movement in unrecognised temporary differences	-	325
Income tax benefit	(10,897)	-

	Consolidated	
	2024 $'000	2023 $'000
Amounts credited directly to equity		
Deferred tax liabilities	(651)	-
Tax losses not recognised		
Unused revenue and capital losses for which no deferred tax asset has been recognised	-	28,133
Potential tax benefit @ 30%	-	8,440

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 8. Income tax (continued)

	Consolidated 2024 $'000	Consolidated 2023 $'000
Deferred tax asset		
Deferred tax asset comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Tax losses	4,831	-
Allowance for expected credit losses	-	78
Property, plant and equipment	724	-
Employee benefits	1,400	359
Leases	2,150	277
Accrued expenses	2,160	-
Capital raising costs	102	-
Other deferred tax assets	1,096	383
Set-off deferred tax liabilities	(12,463)	(1,097)
Deferred tax asset	-	-

	Consolidated 2024 $'000	Consolidated 2023 $'000
Deferred tax liability		
Deferred tax liability comprises temporary differences attributable to:		
Amounts recognised in profit or loss:		
Right of use assets	2,607	-
Intangible assets	12,016	1,907
Other deferred tax liabilities	806	-
Set-off of deferred tax assets	(12,463)	(1,907)
Deferred tax liability	2,966	-
Movements:		
Opening balance	-	-
Credited to profit or loss	(13,052)	-
Credited to equity	(651)	-
Additions through business combinations (note 28)	16,669	-
Closing balance	2,966	-

	Consolidated 2024 $'000	Consolidated 2023 $'000
Provision for income tax		
Provision for income tax	1,791	-

Note 9. Discontinued operations

Advance Inland Security Ltd ('AIS')

On 30 November 2023, the Group sold Advance Inland Security Ltd ('AIS'), a subsidiary of Intelligent Monitoring Group Limited, for consideration of $2,800,000 resulting in a loss on sale before income tax of $1,270,100. Whilst AIS was providing significant revenues to the Group, the entity was loss-making up to the date of sale, with future losses projected. Also, its geographical isolation in country NSW meant that it was difficult to service to the high-standards the Group sets out and was not in the Group's long-term strategy. The Group has extended a loan to Rascal Security Pty Ltd for the settlement of the disposal of AIS under the following terms: a loan in the amount of $2,800,000 and secured by a General Security Deed for collateral over all present and after-acquired property of AIS, at an interest rate of 10%, interest capitalised monthly and payable each 30 June and 31 December whilst the agreement is in place with a maturity date of 1 November 2028.

Financial performance information

	Consolidated	
	2024 $'000	2023 $'000
Revenue	3,213	8,605
Cost of sales	(2,412)	(6,112)
Gross profit	801	2,493
Other income	14	75
General operating expenses	(258)	(880)
Employee benefits expense	(328)	(522)
Depreciation and amortisation expense	(377)	(735)
Total expenses	(963)	(2,137)
(Loss)/profit before income tax expense	(148)	431
Income tax expense	-	-
(Loss)/profit after income tax expense	(148)	431
Loss on disposal before income tax	(1,270)	-
Income tax expense	-	-
Loss on disposal after income tax expense	(1,270)	-
(Loss)/profit after income tax expense from discontinued operations	(1,418)	431

Cash flow information

	Consolidated	
	2024 $'000	2023 $'000
Net cash from operating activities	200	59
Net cash used in investing activities	-	(9)
Net cash used in financing activities	(21)	(103)
Net increase/(decrease) in cash and cash equivalents from discontinued operations	179	(53)

Note 9. Discontinued operations (continued)

Carrying amounts of assets and liabilities disposed

	Consolidated 2024 $'000
Cash and cash equivalents	263
Trade and other receivables	598
Other current assets	1
Property, plant and equipment	99
Intangibles	3,928
Total assets	4,889
Trade and other payables	242
Borrowings	298
Provisions	318
Total liabilities	858
Net assets	4,031

Details of the disposal

	Consolidated 2024 $'000
Total sale consideration	2,800
Carrying amount of net assets disposed	(4,031)
Disposal costs	(39)
Loss on disposal before income tax	(1,270)
Loss on disposal after income tax	(1,270)

Note 10. Trade and other receivables

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current assets		
Trade receivables	19,066	4,424
Less: Allowance for expected credit losses	(2,857)	(770)
	16,209	3,654
Other receivables	3,244	153
	19,453	3,807
Non-current assets		
Loan receivable from Rascal Security Pty Ltd	2,800	-

Allowance for expected credit losses
The Group has recognised a net loss of $1,894,000 (2023: $279,000) in profit or loss in respect of the expected credit losses for the year ended 30 June 2024.

Note 10. Trade and other receivables (continued)

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

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2024 *	2023	2024	2023	2024	2023
Consolidated	%	%	$'000	$'000	$'000	$'000
Not overdue	0.1%	0.5%	7,917	2,104	11	11
0 to 90 days overdue	0.2%	1.0%	4,656	1,049	10	10
90 to 180 days overdue	1.5%	13.9%	2,271	425	33	59
180 to 365 days overdue	49.4%	53.9%	2,504	303	1,237	163
365 days overdue	91.1%	96.9%	1,718	543	1,566	527
			19,066	4,424	2,857	770

* Expected credit loss rate for the Group's receivables from commercial customers is different to those listed for the 180-365 days overdue and 365 days overdue groups at 10% and 50% respectively. The Group has no material receivables in those ageing categories for 2024 or 2023.

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

	Consolidated	
	2024	2023
	$'000	$'000
Opening balance	770	636
Additional provisions recognised	1,894	279
Additions through business combinations (note 28)	964	-
Receivables written off during the year as uncollectable	(771)	(145)
Closing balance	2,857	770

Note 11. Contract assets

	Consolidated	
	2024	2023
	$'000	$'000
Current assets		
Contract assets	144	39

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

	2024	2023
Opening balance	39	190
Additions	144	39
Transfer to trade receivables	(39)	(190)
Closing balance	144	39

Note 12. Property, plant and equipment

	Consolidated 2024 $'000	Consolidated 2023 $'000
Non-current assets		
Plant and equipment - at cost *	2,165	812
Less: Accumulated depreciation	(906)	(480)
	1,259	332
Motor vehicles - at cost	174	334
Less: Accumulated depreciation	(41)	(221)
	133	113
Monitoring infrastructure - at cost *	813	873
Less: Accumulated depreciation	(504)	(412)
	309	461
Capital work-in-progress - at cost	888	-
Subscriber assets - at cost	16,330	-
Less: Accumulated depreciation	(2,917)	-
	13,413	-
	16,002	906

* A number of fully depreciated assets were written-off during the year.

Reconciliations

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

Consolidated	Plant and equipment $'000	Motor vehicles $'000	Monitoring infrastructure $'000	Capital work-in-progress $'000	Subscriber assets $'000	Total $'000
Balance at 1 July 2022	562	101	130	-	-	793
Additions	53	54	151	-	-	258
Additions through business combination (note 28)	83	-	-	-	-	83
Transfer from customer contracts	-	-	340	-	-	340
Depreciation expense	(366)	(42)	(160)	-	-	(568)
Balance at 30 June 2023	332	113	461	-	-	906
Additions	1,530	-	-	896	16,149	18,575
Additions through business combination (note 28)	168	134	-	-	-	302
Disposals	(11)	(90)	(9)	-	-	(110)
Exchange differences	-	-	-	(8)	(310)	(318)
Depreciation expense	(262)	(24)	(143)	-	(2,924)	(3,353)
Transfers in/(out)	(498)	-	-	-	498	-
Balance at 30 June 2024	1,259	133	309	888	13,413	16,002

Note 13. Right-of-use assets

	Consolidated	
	2024	2023
	$'000	$'000
Non-current assets		
Buildings - right-of-use	12,387	1,911
Less: Accumulated depreciation	(3,411)	(958)
	8,976	953

The Group leases buildings for its offices under agreements of between 1 to 5 years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

The Group leases office equipment under agreements of less than 2 years. These leases are either short-term or low-value, so have been expensed as incurred and not capitalised as right-of-use assets.

For impairment testing, the right-of-use assets have been allocated to the monitoring cash-generating units. Refer to note 14 for further information on the impairment testing key assumptions.

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

Consolidated	Buildings $'000
Balance at 1 July 2022	453
Additions	792
Depreciation expense	(292)
Balance at 30 June 2023	953
Additions	1,952
Additions through business combinations (note 28)	9,375
Exchange differences	(38)
Depreciation expense	(3,266)
Balance at 30 June 2024	8,976

For other lease related disclosures, refer to:
- note 7 for interest paid on lease liabilities and expense relating to short-term leases;
- note 18 for lease liabilities;
- note 22 for maturity analysis of leases; and
- consolidated statement of cash flows for repayment of lease liabilities.

Note 14. Intangibles

	Consolidated 2024 $'000	Consolidated 2023 $'000
Non-current assets		
Goodwill - at cost	44,086	37,262
Less: Accumulated impairment	(28,923)	(27,732)
	15,163	9,530
Development assets - at cost	7,256	7,195
Less: Accumulated amortisation	(4,656)	(4,344)
Less: Impairment	(1,708)	(1,708)
	892	1,143
Brands and intellectual property - at cost	8,788	23
Less: Accumulated amortisation	(338)	(14)
	8,450	9
Customer contracts - at cost	86,975	47,357
Less: Accumulated amortisation	(42,752)	(33,134)
Less: Accumulated impairment	-	(828)
	44,223	13,395
	68,728	24,077

Reconciliations

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

Consolidated	Goodwill $'000	Development assets $'000	Brands and intellectual property $'000	Customer contracts $'000	Total $'000
Balance at 1 July 2022	9,166	565	12	19,199	28,942
Additions	-	509	-	938	1,447
Additions through business combination (note 28)	2,664	106	-	-	2,770
Impairment of assets (note 7)	(2,300)	(6)	-	-	(2,306)
Transfers to monitoring infrastructure	-	-	-	(340)	(340)
Transfer in/out	-	168	-	(168)	-
Amortisation expense	-	(199)	(3)	(6,234)	(6,436)
Balance at 30 June 2023	9,530	1,143	9	13,395	24,077
Additions	-	61	-	797	858
Additions through acquisitions (note 28)	5,996	-	8,764	44,749	56,509
Disposals	-	-	-	(3,929)	(3,929)
Impairment of assets (note 7)	(363)	-	-	-	(363)
Exchange differences	-	-	-	27	27
Amortisation expense	-	(312)	(323)	(10,816)	(11,451)
Balance at 30 June 2024	15,163	892	8,450	44,223	65,728

Note 14. Intangibles (continued)

Impairment testing
The Group has identified four Cash Generating Units ("CGUs") with associated goodwill being monitoring the lines following the consolidation of all lines into a single database (Wholesale Monitoring) and direct lines servicing and maintenance which exclude monitoring, (Direct Lines), ADT Australia and ADT New Zealand. These CGUs have been restructured from the prior year because of the reorganisation of the internal reporting structures following the acquisition of the ADT CGUs and the sale of the AIS business. Assets of the Wholesale Monitoring and Direct Lines have been reclassified from the previous CGUs based on their proportional long term revenue activity.

The recoverable amount of the CGUs carrying assets was determined by a value-in-use calculation using a discounted cashflow model, based on a five-year projection period approved by management using a steady growth rate which has been used to determine the terminal value.

Key assumptions are those assumptions to which the recoverable amount of an asset or CGU is most sensitive. As MTG has been fully impaired, disclosures in relation to this CGU have been removed. The following key assumptions were used in the discounted cash flow models for each CGU for this impairment assessment:

	Projected revenue growth rate		Net margin		Pre-tax discount rate		Terminal growth rate	
	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Cash generating units:								
SA	-	7.5%	-	20.1%	-	15.3%	-	0.7%
NSW	-	27.0%	-	25.7%	-	15.3%	-	0.7%
Wholesale monitoring	5.0%	-	2.0%	-	15.9%	-	0.7%	-
Direct lines	5.0%	-	16.0%	-	15.9%	-	0.7%	-
ADT Australia	2.5%	-	10.0%	-	14.2%	-	0.7%	-
ADT New Zealand	2.5%	-	10.0%	-	14.2%	-	0.7%	-

Assumption	Approach used to determine values
Projected revenue growth rate	Estimated potential future risks have been considered within the forecast of revenue growth.
Net margin	The net margins for the CGUs sets the bar for future years targets and growth of these CGUs and is seriously impacted by the repayment of borrowings interest which will reduce as capital repayments are made.
Pre-tax discount rate	Pre-tax discount rate reflects management's estimate of the time value of money and the Group's weighted average cost of capital adjusted for the CGUs, the risk-free rate and the volatility of the share price relative to market movements.
Terminal growth rate	The terminal growth rate is considered prudent and is justified as in line with the expected long-term industry growth.

Note 14. Intangibles (continued)

	Consolidated 2024 $'000	Consolidated 2023 $'000
Monitoring:		
SA	-	1,170
NSW	-	7,996
MTG - Discontinued	-	364
Wholesale monitoring	5,359	-
Direct lines	3,808	-
ADT Australia	3,894	-
ADT New Zealand	2,102	-
	15,163	9,530

Sensitivity
As disclosed in note 3, the directors have made judgements and estimates in respect of impairment testing of goodwill. Should these judgements and estimates not occur the resulting goodwill carrying amount may decrease. The sensitivities are as follows:
- revenue growth would need to decrease by 12% for the Direct Lines CGU, 9% for the Wholesale Monitoring CGU and 2.5% for ADT Australian and ADT New Zealand CGUs before goodwill would need to be impaired, with all other assumptions remaining constant;
- the pre-tax discount rate would be required to increase by 2% for the Wholesale Monitoring CGU, 20% for Direct Lines CGU and 2% for ADT Australia and ADT New Zealand CGUs for goodwill not to be impaired, with all other assumptions remaining constant;
- net margin would need to decrease by 3% for the Wholesale Monitoring CGU, 7% for the Direct Lines CGU and 2% for the ADT Australia and ADT New Zealand CGUs for goodwill not to be impaired, with all other assumptions remaining constant; and
- terminal growth rate would need to decrease by 4% for the Wholesale Monitoring CGU, 100% for the Direct Lines CGU and 5% for the ADT Australia and ADT New Zealand CGUs for goodwill not to be impaired, with all other assumptions remaining constant.

Note 15. Trade and other payables

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current liabilities		
Trade payables	6,910	1,424
Accrued expenses	7,399	1,025
Payable to ATO *	3,238	2,893
Other payables	2,629	589
	20,176	5,931

* Repayment plans are in place for amounts owing to the ATO.

Refer to note 22 for further information on financial instruments.

Note 16. Contract liabilities

	Consolidated	
	2024 $'000	2023 $'000
Current liabilities		
Contract liabilities	2,882	543

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

Opening balance	543	769
Additions through business combinations (note 28)	3,159	-
Transfer to revenue - included in the opening balance	(543)	(769)
Transfer to revenue - other balances	(277)	543
Closing balance	2,882	543

Unsatisfied performance obligations
The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied at the end of the reporting period was $2,882,000 as at 30 June 2024 ($543,000 as at 30 June 2023) and is expected to be recognised as revenue in future periods as follows:

	Consolidated	
	2024 $'000	2023 $'000
Within 6 months	2,551	513
6 to 12 months	295	30
12 to 18 months	36	-
	2,882	543

Note 17. Borrowings

	Consolidated	
	2024 $'000	2023 $'000
Current liabilities		
Other short-term borrowings	22	43
Borrowings - Ares SSG Capital Management	-	25,341
Accrued redemption premium net of capitalised borrowing costs - Ares SSG Capital Management	-	3,736
Tor Investment Management	20,000	-
Accrued interest - Tor Investment Management	1,408	-
	21,430	29,120
Non-current liabilities		
Tor Investment Management	57,749	-

Refer to note 22 for further information on financial instruments.

Borrowings - Ares SSG Capital Management
On 1 August 2023 the loan to Ares SSG Capital Management was settled in full. The settlement paid was $29,501,000 which included all accrued interest and redemption and repayment premiums until settlement date.

Note 17. Borrowings (continued)

Borrowings - Tor Investment Management
The ARES SSG Capital Management loan settlement was funded by a $80,000,000 3 year debt facility with Tor Investment Management, and the remainder of the new debt facility was used to fund the acquisition of Tyco Australia Group Pty Ltd (refer note 16 'Business combinations' for more details).

The terms of the $80,000,000 debt facility with Tor Investment Management are:
- Cash interest rate of 10% per annum, payable quarterly;
- Payment in kind (PIK) interest 5% per annum;
- 3 year term until July 2026;
- No capital repayments for 18 months;
- Upfront fee paid of $2,400,000, included in capitalised borrowing costs; and
- Cash sweep above $20,000,000 cash during first six months, $15,000,000 during the next six months and $10,000,000 after 12 months.

Financing arrangements
Unrestricted access was available at the reporting date to the following lines of credit. The Group has fully utilised its borrowings facilities at reporting date.

	Consolidated	
	2024 $'000	2023 $'000
Total facilities		
Other short-term borrowings	22	43
Borrowings - Ares SSG Capital Management	-	25,341
Tor Investment Management	79,157	-
	79,179	25,384
Used at the reporting date		
Other short-term borrowings	22	43
Borrowings - Ares SSG Capital Management	-	25,341
Tor Investment Management	79,157	-
	79,179	25,384
Unused at the reporting date		
Other short-term borrowings	-	-
Borrowings - Ares SSG Capital Management	-	-
Tor Investment Management	-	-
	-	-

Note 18. Lease liabilities

	Consolidated	
	2024 $'000	2023 $'000
Current liabilities		
Lease liability	2,326	284
Non-current liabilities		
Lease liability	7,474	718

Refer to note 22 for information on the maturity analysis of lease liabilities.

Note 19. Provisions

	Consolidated 2024 $'000	Consolidated 2023 $'000
Current liabilities		
Employee benefits provision	5,913	1,300
Lease make good	299	-
Restructuring provision	-	93
Warranties	80	-
	6,292	1,393
Non-current liabilities		
Employee benefits provision	172	135
Lease make good	3,630	-
	3,802	135

Lease make good
The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Restructuring
The provision represents the estimated costs to sell or terminate a line of business, close or relocate a business location, change the management structure or other fundamental reorganisations that has a material effect on the Group. The provision is recognised once the detailed restructuring plan has been drawn up by management and communicated to the public and those affected by the plans.

Warranties
The provision represents the estimated warranty claims in respect of products sold which are still under warranty at the reporting date. The provision is estimated based on historical warranty claim information, sales levels and any recent trends that may suggest future claims could differ from historical amounts.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

Consolidated - 2024	Lease make good $'000	Restructuring $'000	Warranties $'000
Carrying amount at the start of the year	-	93	-
Additional provisions recognised	805	-	80
Additions through business combinations (note 28)	2,981	-	-
Finance charges	143	(93)	-
Carrying amount at the end of the year	3,929	-	80

Note 20. Issued capital

	Consolidated 2024 Shares	2023 Shares	2024 $'000	2023 $'000
Ordinary shares - fully paid	301,809,817	188,181,145	110,951	84,859

Note 20. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	Issue price	$'000
Balance	1 July 2022	122,700,295		76,006
Shares issued on acquisition of Mammoth Technology Group	4 July 2022	8,000,000	$0.090	720
Shares issued	26 June 2023	57,480,850	$0.160	9,197
Transaction costs		-	$0.000	(1,064)
Balance	30 June 2023	188,181,145		84,859
Shares issued	18 July 2023	36,282,407	$0.160	5,805
Shares issued	24 July 2023	16,984,304	$0.160	2,717
Shares issued	4 June 2024	60,361,961	$0.320	19,316
Transaction costs		-	$0.000	(1,095)
Balance	30 June 2024	301,809,817		111,602

Ordinary shares
Ordinary shares entitle the holder to participate in any dividends declared and any proceeds attributable to shareholders should the Company be wound up, in proportions that consider both the number of shares held and the extent to which those shares are paid up. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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.

Share buy-back
There is no current on-market share buy-back.

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

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current Company's share price at the time of the investment. The Group is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The Group is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

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

Note 21. Reserves

	Consolidated 2024 $'000	Consolidated 2023 $'000
Foreign currency reserve	(411)	-
Share-based payments reserve	6,506	762
	6,095	762

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

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

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

Consolidated	Foreign currency $'000	Share-based payments $'000	Total $'000
Balance at 1 July 2022	-	625	625
Share-based payment expense	-	254	254
Transferred to retained earnings	-	(117)	(117)
Balance at 30 June 2023	-	762	762
Foreign currency translation	(411)	-	(411)
Share-based payment expense	-	5,744	5,744
Balance at 30 June 2024	(411)	6,506	6,095

Note 22. Financial instruments

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

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

Market risk

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

Interest rate risk
The Group's main interest rate risk arises from long-term borrowings. Borrowings obtained at variable rates expose the Group to interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk.

Note 22. Financial instruments (continued)

As at the reporting date, the Group had the following variable rate borrowings outstanding:

	2024		2023	
Consolidated	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Loans*	15.14%	79,157	14.06%	25,341
Net exposure to cash flow interest rate risk		79,157		25,341

* Excludes capitalised borrowing costs

An analysis by remaining contractual maturities is shown in 'liquidity and interest rate risk management' below.

For the Group the loans outstanding totalling $79,157,000 (2023: $25,341,000), are principal and interest payment loans. Cash outlays of approximately $2,100,000 per quarter are required to service the interest payments. The cash outlay will reduce when the principal repayment is made during the year ending 30 June 2025. An official increase/decrease in interest rates of 100 basis points would have an adverse/favourable effect on profit before tax of $792,000 (2023: $253,000) per annum. The percentage change is based on the expected volatility of interest rates using market data and analysts forecasts. In addition, minimum principal repayments of $20,000,000 are due during the year ending 30 June 2025.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The Group obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The Group does not hold any collateral.

The Group has adopted a lifetime expected loss allowance in estimating expected credit losses to trade receivables through the use of a provisions matrix using fixed rates of credit loss provisioning. These provisions are considered representative across all customers of the Group based on recent sales experience, historical collection rates and forward-looking information that is available.

Generally, trade receivables are written off when there is no reasonable expectation of recovery. Indicators of this include the failure of a debtor to engage in a repayment plan, no active enforcement activity and a failure to make contractual payments for a period greater than 1 year.

Liquidity risk

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

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

Note 22. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the Group's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2024	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	6,910	-	-	-	6,910
Other payables	-	2,629	-	-	-	2,629
Interest-bearing - variable						
Tor Investment Management	15.54%	20,000	15,000	44,157	-	79,157
Lease liability	12.00%	2,326	2,645	4,829	-	9,800
Interest-bearing - fixed rate						
Short term borrowings	-	22	-	-	-	22
Total non-derivatives		31,887	17,645	48,986	-	98,518

Consolidated - 2023	Weighted average interest rate %	1 year or less $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 years $'000	Remaining contractual maturities $'000
Non-derivatives						
Non-interest bearing						
Trade payables	-	1,424	-	-	-	1,424
Other payables	-	589	-	-	-	589
Interest-bearing - variable						
Ares SSG borrowings	14.27%	25,341	-	-	-	25,341
Lease liability	9.00%	284	241	477	-	1,002
Interest-bearing - fixed rate						
Short term borrowings	-	43	-	-	-	43
Total non-derivatives		27,681	241	477	-	28,399

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

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

Note 23. Key management personnel disclosures

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

	Consolidated	
	2024	2023
	$	$
Short-term employee benefits	1,307,919	824,584
Post-employment benefits	80,172	68,377
Termination benefits	-	30,000
Share-based payments	1,433,083	254,578
	2,821,174	1,177,539

Note 24. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO Audit Pty Ltd, the auditor of the Company:

	Consolidated	
	2024	2023
	$	$
Audit services - BDO Audit Pty Ltd		
Audit or review of the financial statements	407,628	199,500
Audit or review of the financial statements - New Zealand	30,000	-
	437,628	199,500

Note 25. Contingent liabilities

The Group had no contingent liabilities as at 30 June 2024 and 30 June 2023.

Note 26. Related party transactions

Parent entity
Intelligent Monitoring Group Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 29.

Key management personnel
Disclosures relating to key management personnel are set out in note 23 and the remuneration report included in the directors' report.

Transactions with related parties
On 16 January 2023 Black Crane Asia Pacific Opportunities Fund, a related party of the Company by virtue of it being controlled by Director Peter Kennan, provided a short-term facility of $1,575,000 to the Company. The terms were for up to 9.5 months from drawdown to provide operating funds and working capital. A loan facility fee of $75,000 was paid on 17 January 2023. Interest accrued at 8% monthly on the outstanding amount. The short term loan was settled in full on 13 June 2023, settlement amounted to $1,630,683 which included the accrued interest until settlement date.

Note 26. Related party transactions (continued)

The following transactions occurred with related parties:

	Consolidated 2024 $	Consolidated 2023 $
Goods and services:		
Sale of services to key management personnel	-	219
Employment of spouses and children of key management personnel(Group expense):		
Payment for services from child of key management personnel	-	484
Loan from related parties:		
Short term loan from Black Crane to provide operating funds and working capital	-	1,575,000
Payment for other expenses:		
Black Crane Advisors Limited is a company controlled by Mr Peter Kennan which provided underwriting and advisory services to Intelligent Monitoring Group Limited during the period.		
- Strategic financial advisory services	-	350,000
Debt capital advisory services	-	300,000
- Advisory services in relation to ADT acquisition	1,275,000	-
- Underwriting in relation to capital raise	-	600,000
Interest expense on Black Crane borrowing	-	55,683
Loan Facility fee on Black Crane borrowing	-	75,000

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

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates, except for the loan from Black Crane mentioned above.

Note 27. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2024 $'000	Parent 2023 $'000
Loss after income tax	(1,986)	(11,857)
Total comprehensive loss	(1,986)	(11,857)

Note 27. Parent entity information (continued)

Statement of financial position

	Parent	
	2024 $'000	2023 $'000
Total current assets	17,411	4,468
Total assets	95,749	28,769
Total current liabilities	20,314	30,032
Total liabilities	68,393	30,475
Equity		
Issued capital	154,196	127,892
Share-based payments reserve	7,289	1,545
Accumulated losses	(134,129)	(131,143)
Total equity/(deficiency)	21,356	(1,706)

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity and some of its subsidiaries are party to a deed of cross guarantee under which each company guarantees the debts of the others.

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

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

Material accounting policy information
The accounting policies of the parent entity are consistent with those of the Group, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 28. Business combinations

Tyco Australia Group Pty Ltd ('ADT')
On 1 August 2023 the Company acquired all the shares in Tyco Australia Group Pty Ltd ('ADT') for the consideration of $41,917,000. ADT is a leading security monitoring provider, providing security system installation, maintenance and monitoring services to residential, commercial and medical customers across Australia and New Zealand under the “ADT” brand. The acquisition will result in the lines monitored by the Group more than doubling to 180,000 with combined recurring monthly revenue above $6,500,000.

The goodwill of $5,996,000 recognised on acquisition represents the expected synergies from merging the ADT business into the Group and leveraging on the strong ADT Security brand already in the market.

The acquired business contributed revenues of $95,395,000 and profit after tax of $10,075,000 to the Group for the period from 1 August 2023 to 30 June 2024.

The values identified in relation to the acquisition of ADT are final as at 30 June 2024.

The values identified in relation to the acquisition of ADT were provisional at 31 December 2023. The following table reflects the movements in balances which occurred as a result of the finalisation of the work to identify and value all identifiable net assets

Note 28. Business combinations (continued)

	Tyco Australia Group Pty Ltd Fair value – 31/12/23 $'000	Adjustment as part of finalisation	Tyco Australia Group Pty Ltd Fair value - Final $'000
Current assets:			
Cash and cash equivalents	2,516	-	2,516
Trade and other receivables	11,710	7,418	19,128
Other	2,495	(2,495)	-
Inventories	3,748	-	3,748
Non-current assets			
Plant and Equipment	7,231	(7,073)	158
Capital work-in-progress	5,306	(5,306)	-
Right-of-use assets	9,394	(19)	9,375
Brands and intellectual property	-	8,764	8,764
Customer contracts	-	42,620	42,620
Intangible assets - development	15	(15)	-
Current liabilities			
Trade and other payables	(16,965)	(815)	(17,780)
Lease liabilities	(9,394)	-	(9,394)
Deferred tax liability	-	(16,696)	(16,696)
Provision	(5,207)	(1,311)	(6,518)
Other borrowings	-		-
Net assets acquired	10,849	25,072	35,921
Goodwill	30,593	(24,597)	5,996

Consideration was increased by $475,000 as part of the finalisation.

Adeva Home Solutions Pty Ltd ('Adeva')
On 1 May 2024, Mammoth Security Pty Ltd (“Mammoth Security”) acquired all the shares in Adeva Home Solutions Pty Ltd ('Adeva') for the consideration of $2,535,000. Adeva is a national security provider with a highly focused team of technicians that offers a wide range of intelligent products and services, including access control barriers, CCTV recording, innovative alarm systems, business intercoms and integrated solutions.

The acquired business contributed revenues of $1,179,800 and loss after tax of $740,100 to the Group for the period from 1 May 2024 to 30 June 2024.

The values identified in relation to the acquisition of Adeva are provisional and will be finalised before the expiry of the 12 month period ending on 30 April 2025.

Note 28. Business combinations (continued)

Details of the acquisitions are as follows:

	Tyco Australia Group Pty Ltd Fair value $'000	Adeva Home Solutions Pty Ltd Fair value $'000	Total $'000
Current assets:			
Cash and cash equivalents	2,516	231	2,747
Trade and other receivables	19,128	862	19,990
Other	-	65	65
Inventories	3,748	455	4,203
Non-current assets			
Plant and Equipment	158	10	168
Motor vehicles	-	134	134
Right-of-use assets	9,375	-	9,375
Brands and intellectual property	8,764	-	8,764
Customer contracts	42,620	2,129	44,749
Other non-current assets	-	1,647	1,647
Current liabilities			
Trade and other payables	(17,780)	(2,321)	(20,101)
Lease liabilities	(9,394)	-	(9,394)
Provision for income tax	-	(234)	(234)
Deferred tax liability	(16,696)	-	(16,696)
Provision	(6,518)	(182)	(6,700)
Other borrowings	-	(261)	(261)
Net assets acquired	35,921	2,535	41,456
Goodwill	5,996	-	5,996
Acquisition-date fair value of the total consideration transferred	41,917	2,535	44,452
Representing:			
Cash paid or payable to vendor	41,917	535	42,452
Mammoth Security Pty Ltd shares issued to vendor	-	2,000	2,000
	41,917	2,535	44,452
Cash used to acquire business, net of cash acquired:			
Acquisition-date fair value of the total consideration transferred	41,917	2,535	44,452
Less: cash and cash equivalents	(2,516)	(231)	(2,747)
Less: shares issued by Company as part of consideration	-	(2,000)	(2,000)
Net cash used	39,401	304	39,705

Note 29. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest 2024 %	Ownership interest 2023 %
IMG Group Holdings Pty Ltd	Australia	100%	100%
Intelligent Monitoring Solutions Pty Ltd	Australia	100%	100%
Threat Protect Security Services Pty Ltd	Australia	100%	100%
AVMC (Aust) Pty Ltd	Australia	100%	100%
Security Alarm Monitoring Service Pty Ltd	Australia	100%	100%
Mammoth Technology Group Pty Ltd	Australia	100%	100%
Onwatch Pty Ltd	Australia	100%	100%
Advanced Inland Security Pty Ltd	Australia	-	100%
Mammoth Security Pty Ltd	Australia	98%	100%
Adeva Home Solutions Pty Ltd	Australia	98%	-
ADT Security Group Pty Ltd	Australia	100%	-
ADT Security Limited	New Zealand	100%	-

Note 30. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Intelligent Monitoring Group Limited
Intelligent Monitoring Solutions Pty Ltd
Threat Protect Security Services Pty Ltd
IMG Connect Pty Ltd
AVMC (Aust) Pty Ltd
Security Alarm Monitoring Service Pty Ltd
Mammoth Technology Group Pty Ltd
Onwatch Pty Ltd
Mammoth Security Pty Ltd
ADT Security Group Pty Ltd

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Corporations Instrument 2016/785 issued by the Australian Securities and Investments Commission.

The above companies represent a 'Closed Group' for the purposes of the Corporations Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Intelligent Monitoring Group Limited, they also represent the 'Extended Closed Group'.

Note 30. Deed of cross guarantee (continued)

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

Statement of profit or loss and other comprehensive income	2024 $'000	2023 $'000
Revenue from contracts with customers	86,575	24,273
Cost of services - operations	(45,547)	(14,238)
Cost of services - depreciation and amortisation	(8,103)	(516)
Other income including interest received	29	189
Interest revenue calculated using the effective interest method	260	-
Administration	(15,451)	(5,878)
Compliance and regulatory costs	(1,103)	(728)
Marketing and business development expenses	(1,817)	(397)
Depreciation and amortisation	(7,352)	(6,045)
Business acquisition and integration	(6,459)	(726)
Impairment of receivables	(1,226)	(279)
Impairment of assets	(363)	(2,306)
Share-based payments	(1,433)	(254)
Finance costs	(15,669)	(5,383)
Operating loss	(17,659)	(12,288)
(Loss)/profit before income tax expense from discontinued operations	(1,418)	431
Loss before income tax expense	(19,076)	(11,857)
Income tax benefit	12,262	-
Loss after income tax expense	(6,815)	(11,857)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss for the year	(6,815)	(11,857)

Equity - accumulated losses	2024 $'000	2023 $'000
Accumulated losses at the beginning of the financial year	(87,327)	(75,470)
Loss after income tax expense	(6,815)	(11,857)
Accumulated losses at the end of the financial year	(94,142)	(87,327)

Note 30. Deed of cross guarantee (continued)

Statement of financial position	2024 $'000	2023 $'000
Current assets		
Cash and cash equivalents	22,029	5,269
Trade and other receivables	12,187	3,807
Contract assets	144	39
Finished goods	5,010	820
Other	5,753	448
	45,123	10,383
Non-current assets		
Trade and other receivables	2,800	-
Investment in subsidiaries	10,130	-
Property, plant and equipment	10,693	906
Right-of-use assets	8,689	953
Intangibles	60,658	24,077
Other	-	99
	92,970	26,035
Total assets	138,093	36,418
Current liabilities		
Trade and other payables	15,566	5,931
Contract liabilities	1,966	543
Borrowings	21,430	29,120
Lease liabilities	1,644	284
Income tax payable	240	-
Provisions	2,956	1,393
	43,802	37,271
Non-current liabilities		
Borrowings	57,749	-
Lease liabilities	5,522	718
Deferred tax liability	2,501	-
Provisions	4,383	135
	70,155	853
Total liabilities	113,957	38,124
Net assets/(liabilities)	24,136	(1,706)
Equity		
Issued capital	111,814	84,859
Reserves	6,462	762
Accumulated losses	(94,142)	(87,327)
Total equity/(deficiency)	24,136	(1,706)

Note 31. Reconciliation of loss after income tax to net cash from/(used in) operating activities

	Consolidated 2024 $'000	Consolidated 2023 $'000
Loss after income tax benefit for the year	(3,097)	(11,857)
Adjustments for:		
Depreciation and amortisation	17,693	7,296
Share-based payments	1,433	-
Impairment of assets	363	2,306
Impairment/(recovery) of receivables	1,894	317
Non-cash other income	-	(296)
Net gain on settlement of contingent consideration	(23)	-
Borrowing costs capitalised	642	642
Interest capitalised to borrowings	1,062	1,062
Finance costs make good provision	535	-
Income tax benefit	140	-
Interest and other finance costs	1,758	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(3,920)	(1,392)
Increase in finished goods	(772)	(59)
Decrease in prepayments	1,621	289
Increase/(decrease) in trade and other payables	870	(1,179)
Increase in provision for tax	1,523	-
Decrease in deferred tax liabilities	(13,055)	-
Decrease in employee benefits	(767)	-
Increase/(decrease) in other provisions	185	(197)
Net cash from/(used in) operating activities	8,085	(3,068)

Note 32. Non-cash investing and financing activities

	Consolidated 2024 $'000	Consolidated 2023 $'000
Additions to the right-of-use assets	1,952	792
Shares issued in relation to business combinations	2,000	720
Performance rights granted in relation to business combinations	-	596
	3,952	2,108

Note 33. Changes in liabilities arising from financing activities

Consolidated	Short term borrowings $'000	Long term borrowings $'000	Lease liabilities $'000	Total $'000
Balance at 1 July 2022	30,495	-	467	30,962
Net cash used in financing activities	(3,079)	-	(257)	(3,336)
Acquisition of leases	-	-	792	792
Redemption and repayment premiums	1,703	-	-	1,703
Balance at 30 June 2023	29,119	-	1,002	30,121
Net cash from/(used in) financing activities	(7,782)	58,483	(2,954)	47,747
Redemption and repayment premiums	-	3,799	-	3,799
Acquisition of leases	-	-	1,952	1,952
Changes through business combinations (note 28)	-	261	9,394	9,655
Finance costs	93	1,255	406	1,754
Movement in borrowing costs	-	(6,049)	-	(6,049)
Balance at 30 June 2024	21,430	57,749	9,800	88,979

Note 34. Earnings per share

	Consolidated 2024 $'000	Consolidated 2023 $'000
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of Intelligent Monitoring Group Limited	(1,679)	(12,288)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	244,302,683	131,421,950
Weighted average number of ordinary shares used in calculating diluted earnings per share	244,302,683	131,421,950
	Cents	**Cents**
Basic earnings per share	(0.69)	(9.35)
Diluted earnings per share	(0.69)	(9.35)

	Consolidated 2024 $'000	Consolidated 2023 $'000
Earnings per share for profit/(loss) from discontinued operations		
(Loss)/profit after income tax attributable to the owners of Intelligent Monitoring Group Limited	(1,418)	431
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	244,302,683	131,421,950
Weighted average number of ordinary shares used in calculating diluted earnings per share	244,302,683	131,421,950
	Cents	**Cents**
Basic earnings per share	(0.58)	0.33
Diluted earnings per share	(0.58)	0.33

Note 34. Earnings per share (continued)

	Consolidated 2024 $'000	Consolidated 2023 $'000
Earnings per share for loss		
Loss after income tax	(3,013)	(11,857)
Non-controlling interest	(84)	-
Loss after income tax attributable to the owners of Intelligent Monitoring Group Limited	(3,097)	(11,857)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	244,302,683	131,421,950
Weighted average number of ordinary shares used in calculating diluted earnings per share	244,302,683	131,421,950

	Cents	Cents
Basic earnings per share	(1.27)	(9.02)
Diluted earnings per share	(1.27)	(9.02)

As at the reporting date, the Company had 9,700,000 (2023: 3,700,000) performance rights over ordinary shares that could potentially dilute basic earnings per share in the future, but were excluded from the calculation of diluted earnings per share because they were anti-dilutive.

Note 35. Share-based payments

Performance rights
During the period, the Company issued 2 tranches of performance rights totalling 6,000,000 to its employee Executive Director, Dennison Hambling, following approval from shareholders at the Company's AGM held on 26 October 2023. Dennison Hambling performance rights were valued at $1,140,000 and will be expensed over the vesting period.

The rights were valued independently using a Black Scholes pricing model that takes into consideration the terms and conditions on which the award was granted.

Key vesting conditions of the rights are as follows:

Tranche 1	4,500,000 performance rights subject to a service vesting condition that Dennison Hambling remains employed by the Company as at 31 December 2023
Tranche 2	1,500,000 performance rights subject to a service vesting condition that Dennison Hambling remains employed by the Company as at 30 June 2024

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

	Number of rights 2024	Weighted average exercise price 2024	Number of rights 2023	Weighted average exercise price 2023
Outstanding at the beginning of the financial year	3,700,000	$0.000	3,700,000	$0.000
Granted	6,000,000	$0.000	6,850,000	$0.000
Forfeited *	-	$0.000	(1,850,000)	$0.000
Ceased **	-	$0.000	(5,000,000)	$0.000
Outstanding at the end of the financial year	9,700,000	$0.000	3,700,000	$0.000
Exercisable at the end of the financial year	-	$0.000	-	$0.000

Note 35. Share-based payments (continued)

* John Hallam (previous CEO) resigned in August 2022 and forfeited performance rights.
** Performance rights issued to Robert Hilton ceased due to lapse of conditional right to securities.

The weighted average remaining contractual life of performance rights outstanding at the end of the financial year was 0.3 years (2023: 1.4 years).

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
26/10/2023	31/12/2026	$0.190	$0.000	12.42%	-	5.00%	$0.190
26/10/2023	30/06/2027	$0.190	$0.000	12.42%	-	5.00%	$0.190

Warrants
In October 2023 the Company issued 18,742,991 warrants to three institutional investors associated with the lenders under the debt facility. 8,785,777 warrants were issued to Tor Asia Credit Opportunity Master Fund III VCC; 6,442,903 warrants were issued to Tor Investment Management LP; and 3,514,311 warrants were issued to AMAL Trustees Pty Ltd atf Longreach Direct Lending Fund. The warrants have zero exercise price and expire on 1 August 2028. The warrants were valued at $4,310,888 and will be amortised over the life of the debt facility. These amortisation costs are included in finance costs as shown on the statement of profit or loss and other comprehensive income.

Each warrant is exercisable into one fully-paid ordinary share in the Company. Subject to the receipt of any regulatory approvals, the warrants will be automatically exercised on the expiry date.

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

	Number of options 2024	Weighted average exercise price 2024
Outstanding at the beginning of the financial year	-	$0.000
Granted	18,742,991	$0.000
Outstanding at the end of the financial year	18,742,991	$0.000
Exercisable at the end of the financial year	-	$0.000

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

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
01/08/2023	01/08/2028	$0.230	$0.000	-	-	-	$0.230

Note 36. Events after the reporting period

ACG Integration Pty Ltd ('ACG')
On 1 July 2024, the Company acquired all the shares in ACG Integration Pty Ltd ('ACG') for the consideration of $14,173,000. ACG is a national security services provider that has a highly skilled and focused team of technicians and provides a wide range of security products and services. The cash payment was funded by the capital placement as announced on the ASX on 4 June 2024.

The values in relation to the acquisition of ACG are provisional and are subject to adjustment once all information to determine the fair value of identifiable net assets at acquisition date has been received.

Note 36. Events after the reporting period (continued)

Details of the acquisition are as follows:

	Fair value $'000
Current assets	
Cash and cash equivalents	2,240
Trade receivables	2,402
Inventories	237
Other current assets	40
Non-current assets	
Plant and equipment	183
Intangibles	-
Current liabilities	
Trade and other payables	(1,886)
Provision for income tax	(1,784)
Employee benefits	(516)
Net assets acquired	916
Goodwill	13,257
Acquisition-date fair value of the total consideration transferred	14,173
Representing:	
Cash paid or payable to vendor	14,173
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	14,173
Less: cash and cash equivalents	(2,240)
Net cash used	11,933

Everjazz Pty Limited ('Alarm Assets Group' or 'AAG')
On 1 July 2024, the Company acquired all the shares in Everjazz Pty Limited ('AAG') for the consideration of $1,500,000. AAG is a security services provider principally based in Western Australia, that has a highly skilled and focused team of technicians and provide a wide range of security products and services. The cash payment was funded by the capital placement as announced on the ASX on 4 June 2024.

The values in relation to the acquisition of AAG are provisional and are subject to adjustment once all information to determine the fair value of identifiable net assets at acquisition date has been received.

Note 36. Events after the reporting period (continued)

Details of the acquisition are as follows:

	Fair value $'000
Current assets:	
Cash and cash equivalents	662
Trade and other receivables	2,963
Other current assets	92
Non-current assets:	
Plant and equipment	18
Current liabilities	
Trade and other payables	(2,193)
Net assets acquired	1,542
Gain on acquisition	(42)
Acquisition-date fair value of the total consideration transferred	1,500
Representing:	
Cash paid or payable to vendor	1,500
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	1,500
Less: cash and cash equivalents	(662)
Net cash used	838

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

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Intelligent Monitoring Group Limited	Body corporate	Australia	100.00%	Australia *
IMG Group Holdings Pty Ltd	Body corporate	Australia	100.00%	Australia *
Intelligent Monitoring Solutions Pty Ltd	Body corporate	Australia	100.00%	Australia *
Threat Protect Security Services Pty Ltd	Body corporate	Australia	100.00%	Australia *
AVMC (Aust) Pty Ltd	Body corporate	Australia	100.00%	Australia *
Security Alarm Monitoring Service Pty Ltd	Body corporate	Australia	100.00%	Australia *
Mammoth Technology Group Pty Ltd	Body corporate	Australia	100.00%	Australia *
Onwatch Pty Ltd	Body corporate	Australia	100.00%	Australia *
Mammoth Security Pty Ltd	Body corporate	Australia	98.42%	Australia *
Adeva Home Solutions Pty Ltd	Body corporate	Australia	98.42%	Australia *
ADT Security Group Pty Ltd	Body corporate	Australia	100.00%	Australia *
ADT Security Limited	Body corporate	New Zealand	100.00%	New Zealand

* Intelligent Monitoring Group Limited (the 'head entity') and its wholly and substantially owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

In the directors' opinion:

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

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

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

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

- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 30 to the financial statements; and

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

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

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

On behalf of the directors

Dennison Hambling
Managing Director

30 August 2024

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INTELLIGENT MONITORING GROUP LIMITED

Report on the Audit of the Financial Report

Opinion

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

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

(i) Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and

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

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Accounting for the acquisition of Tyco Australia Group Pty Ltd ('ADT')

Key audit matter	How the matter was addressed in our audit
As disclosed in note 28 of the financial report, the company acquired Tyco Australia Group Pty Ltd and the subsidiaries it controlled on the date of acquisition. The accounting for business combinations is a key audit matter due to the significant judgements made by the Group in the estimation of the fair value of assets and liabilities acquired, in particular customer contract and brand and intellectual property intangible assets. Under Australian Accounting Standards, the Group is required to estimate the fair value of assets and liabilities acquired.	Our procedures included, but were not limited to the following: • Reading key executed transaction documents to understand the key terms and conditions of the transaction • Comparing the assets and liabilities recognised on acquisition against the executed agreements and historical financial information of the acquired business. • Obtaining a copy of the external valuation report to critically assess the determination of the fair values of identifiable intangible assets associated with the acquisition. • In conjunction with internal and management experts, we – Assessed the identification of intangible assets acquired including customer contract and brand and intellectual property intangible assets along with the valuation methodologies used to value those assets – Challenged the associated underlying forecast cash flows for customer contract and brand and intellectual property intangible assets and compared key assumptions, including forecast growth rates, customer attrition and royalty rates applied, by comparing them to historical results, business trends and economic and industry forecasts.

Key audit matter	How the matter was addressed in our audit
	– Evaluated discount rates used by assessing the cost of capital applied in the valuation by comparing them to market data and industry research • Assessing the appropriateness of the Group's disclosures in respect of the acquisition.

Recoverability of Intangible Assets

Key audit matter	How the matter was addressed in our audit
Note 14 of the financial report discloses the individual intangible assets and the assumptions used by the Group in testing these assets for impairment. As required by the Australian Accounting Standards, the Group performs an annual impairment test for each Cash Generating Unit ('CGU') to which goodwill and other intangible assets have been allocated, to determine whether the recoverable amount is below the carrying amount as at 30 June 2024. This was determined to be a key audit matter as management's assessment of the recoverability of the intangible asset is supported by a value in use cash flow forecast which requires estimates and judgements about the future performance. These include judgements and estimates over the expectation of future revenues, anticipated gross profit margin, growth rates expected and the discount rate applied as disclosed in Note 3 and Note 14 of the financial report. Management also determined that a reclassification of cash-generating units was appropriate following a reorganisation in reporting structure in the period as disclosed in Note 14.	Our procedures included, but were not limited to the following: • Evaluating the appropriateness of the Group's categorisation of CGUs and the allocation of goodwill and assets to the carrying value of CGUs based on our understanding of the Group's business and the reorganisation in reporting structure in the period; • Challenging key inputs used in management's impairment assessment including the following: – In conjunction with our valuation specialists, comparing the discount rate utilised by management to an independently calculated discount rate; – Comparing growth rates with historical data and economic and industry growth forecasts; – Assessing the Group's forecasted cash flows for consistency with our knowledge of the business, board approved budget and corroborating our work with external information where possible; and – Assessing the adequacy of related disclosures in Note 3 and 13 of the financial report

Other information

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

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

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

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

Responsibilities of the directors for the Financial Report

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

a) The financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and

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

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

i) The financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

ii) The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included on pages 11 to 18 of the directors' report for the year ended 30 June 2024.

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

Responsibilities

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

BDO

BDO Audit Pty Ltd

Andrew Tickle
Director

Adelaide, 30 August 2024

The shareholder information set out below was applicable as at 26 August 2024.

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Ordinary shares	
	Number of holders	% of total shares issued
1 to 1,000	296	0.02
1,001 to 5,000	153	0.13
5,001 to 10,000	72	0.19
10,001 to 100,000	269	3.65
100,001 and over	136	96.01
	926	100.00
Holding less than a marketable parcel	274	-

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Citicorp Nominees Pty Limited	163,647,434	54.22
HSBC Custody Nominees (Australia) Limited	27,931,197	9.25
J P Morgan Nominees Australia Pty Limited	23,035,062	7.63
Mammoth Innovation Pty Ltd	8,250,000	2.73
BNP Paribas Nominees Pty Ltd (A/C IB AU Noms Retail Client)	6,068,157	2.01
First Samuel Ltd ACN 086243567	4,727,150	1.57
Mr Kenneth Joseph Hall	4,000,000	1.33
BNP Paribas Noms Pty Ltd	3,929,544	1.30
MMS1 Pty Ltd	3,587,028	1.19
BNP Paribas Nominees Pty Ltd (A/C Agency Lending Account)	3,440,152	1.14
Orpheo Investments Pty Ltd	3,312,500	1.10
Lukanna Pty Ltd	1,600,000	0.53
Mr Darryl Leonard Goode & Mrs Lynette Evelyn Goode	1,325,000	0.44
Mr David Frederick Oakley	1,250,000	0.41
IOOF Investment Services Limited	1,192,961	0.40
FLST Pty Ltd	1,095,000	0.36
Austral Capital Pty Ltd	1,000,000	0.33
Betken Investments Pty Ltd	1,000,000	0.33
Bond Street Custodians Limited	989,148	0.33
Patner Pty Ltd	883,125	0.29
	262,263,458	86.89

Unquoted equity securities
There are no unquoted equity securities.

Substantial holders
Substantial holders in the Company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Black Crane Asia Pacific Opportunities Fund	141,779,671	46.98
Allan Gray Australia Pty Ltd	28,906,250	9.58

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
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.

There are no other classes of equity securities.