

Financial Statements

Underwood Innovation Lab Pty Ltd

ABN 41 671 621 186

For the year ended 30 June 2025

Prepared by Addept

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Income Statement

Underwood Innovation Lab Pty Ltd For the year ended 30 June 2025

	NOTES	2025	2024
Income			
Income - AI Regional Enablers Program		76,000	-
Income - Drone Project		-	176,792
Income - Residency Program		3,750	8,503
Operational Grants - Specific Purpose		73,208	-
Total Income		152,958	185,295
Cost of Operations			
Direct costs			
COGS - AI Regional Enablers Program		10,997	-
COGS - Drone Project Expenses		113,098	128,855
COGS - Events		16,072	-
Event Costs - Advertising		224	-
Total Direct costs		140,391	128,855
Total Cost of Operations		140,391	128,855
Other Income			
Interest Income		33,873	34,784
Total Other Income		33,873	34,784
Total Income		46,441	91,224
Expenses			
Accounting costs		37,715	17,893
Accrued Employee Leave Entitlements		10,049	52,891
Advertising		190	2,383
Amortisation		14,938	11,154
Audit costs		14,186	-
Bank Fees		348	97
Board Expenses		16,100	-
Bookkeeping costs		7,711	6,217
Consultant costs		72,562	98,395
Contracted CEO Services		45,760	-
Depreciation		6,639	6,458
Entertainment		4,084	1,758
Equipment <\$300 Information Technology (IT)		168	-
Event Costs		1,350	49,482
Foreign currency gains and losses		626	1,732
Freight & Courier		20	-
HR Services		16,672	15,804
Insurance		540	-
Interest and Finance Charges		312	-
IT Services		22,437	9,070

	NOTES	2025	2024
Lease operating expenses		6,024	16,233
Legal expenses		46,371	20,666
Mobile & Vehicle Allowances		3,170	2,180
New Program Development		15,000	-
Office Expenses / Staff Amenities		5,244	1,204
Payroll Tax		53,294	-
Payroll Tax - Mental Health Levy		933	-
Printing & Stationery		162	101
Rent/Lease		(13,431)	83,333
Repairs and Maintenance		450	4,081
Restructure		112,349	-
Staff Training and Development		9,507	12,840
Subscriptions		12,712	5,526
Super Guarantee Charges		673	-
Superannuation - Board Members		12,900	10,800
Superannuation - Employees		95,485	69,456
Travel and accommodation		19,641	3,308
Venture Development		28,173	-
Wages and Salaries - Board Members		120,000	90,000
Wages and Salaries - Employees		847,168	595,728
Workers Compensation Expense		2,040	-
Total Expenses		1,650,272	1,188,792
Profit/(Loss) before Taxation		(1,603,831)	(1,097,567)
Net Profit After Tax		(1,603,831)	(1,097,567)
Net Profit After Dividends Paid		(1,603,831)	(1,097,567)

Balance Sheet

Underwood Innovation Lab Pty Ltd

As at 30 June 2025

	NOTES	30 JUNE 2025	30 JUNE 2024
Assets			
Current Assets			
Cash and Cash Equivalents	6	708,909	359,096
Prepayments		6,315	-
Total Current Assets		715,224	359,096
Non-Current Assets			
Property, Plant and Equipment	3	5,324	4,498
Intangibles	4	14,938	29,876
Security Bond - Property Lease Agreement		8,800	50,000
Total Non-Current Assets		29,062	84,373
CBA - Short term high interest account		-	880,000
Total Assets		744,286	1,323,469
Liabilities			
Current Liabilities			
Payables	7	83,405	181,056
Provisions	5	50,083	52,891
Taxation		(14,534)	(12,911)
Total Current Liabilities		118,954	221,036
Total Liabilities		118,954	221,036
Net Assets		625,332	1,102,433
Equity			
Retained Earnings		(2,701,398)	(1,097,567)
Share Capital		3,326,730	2,200,000
Total Equity		625,332	1,102,433

● Exchange rates used to convert foreign currency into AUD are shown below. Rates are provided by XE.com unless otherwise stated.

• 30 June 2025

 1.07789 NZD (New Zealand Dollar)

Notes to the Financial Statements

Underwood Innovation Lab Pty Ltd

For the year ended 30 June 2025

1. Statement of Significant Accounting Policies

The directors have determined that the company is not a reporting entity and accordingly, this financial report is a special purpose report prepared for the sole purpose of distributing a financial report to members and must not be used for any other purpose. The directors have determined that the accounting policies adopted are appropriate to meet the needs of the members.

The financial report has been prepared on an accrual basis and under the historical cost convention, except for certain assets, which, as noted, have been written down to fair value as a result of impairment. Unless otherwise stated, the accounting policies adopted are consistent with those of the prior year.

The accounting policies that have been adopted in the preparation of the statements are as follows:

Income Tax

The income tax expense for the year comprises current income tax expense. The company does not apply deferred tax. Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at 30 June 2025. Current tax liabilities are therefore measured at the amounts expected to be paid to the relevant taxation authority.

Property, Plant and Equipment

Property, plant and equipment is initially recorded at the cost of acquisition or fair value less, if applicable, any accumulated depreciation and impairment losses. Plant and equipment that has been contributed at no cost, or for nominal cost, is valued and recognised at the fair value of the asset at the date it is acquired. The plant and equipment is reviewed annually by directors to ensure that the carrying amount is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the utilisation of the assets and the subsequent disposal. The expected net cash flows have been discounted to their present values in estimating recoverable amounts.

Freehold land and buildings are measured at their fair value, based on periodic, but at least triennial, valuations by independent external valuers, less subsequent depreciation for buildings.

Increases in the carrying amount of land and buildings arising on revaluation are credited in equity to a revaluation surplus. Decreases against previous increases of the same asset are charged against fair value reserves in equity. All other decreases are charged to profit or loss.

Any accumulated depreciation at the date of revaluation is offset against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Intangibles

Goodwill is recognised as the excess of the purchase price for a business acquired over the fair value of the net assets at the date of acquisition. Goodwill is assessed for impairment annually and is carried at cost less accumulated impairment losses.

Trade and Other Receivables

Trade receivables and other receivables, including distributions receivable, are recognised at the nominal transaction value without taking into account the time value of money. If required a provision for doubtful debt has been created.

Financial Assets

Investments held are originally recognised at cost, which includes transaction costs. They are subsequently measured at fair value which is equivalent to their market bid price at the end of the reporting period. Movements in fair value are recognised through an equity reserve.

Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at 30 June 2025. Trade payables are recognised at their transaction price. They are subject to normal credit terms and do not bear interest.

Employee Benefits

Provision is made for the liability for employee entitlements arising from services rendered by employees to 30 June 2025. Employee benefits have been measured at the amounts expected to be paid when the liability is settled, plus related costs.

Provisions

Provisions are recognised when the entity has a legal or constructive obligation resulting from past events, for which it is probable that there will be an outflow of economic benefits and that outflow can be reliably measured. Provisions are measured using the best estimate available of the amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held on call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Revenue Recognition

Revenue from the sale of goods is recognised upon the delivery of goods to customers.
Revenue from the rendering of services is recognised upon the delivery of the services to customers.
Revenue from commissions is recognised upon delivery of services to customers.
Revenue from interest is recognised using the effective interest rate method.
Revenue from dividends is recognised when the entity has a right to receive the dividend.

All revenue is stated net of the amount of goods and services tax (GST).

Goods and Services Tax

Transactions are recognised net of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

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 ATO is included with other receivables or payables in the balance sheet.

Leases

Finance leases are leases of fixed assets where substantially all of the risks and benefits incidental to the ownership of the asset are transferred to the entity, but the legal ownership is not transferred to the entity.

Finance leases are capitalised by recording an asset and a corresponding liability at the lower of the amounts equal to the fair value of the leased asset, or the minimum lease payments measured at present value including any residual values.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Operating lease payments are charged to the income statement on a straight-line basis over the term of the lease.

Lease incentives are deferred and amortised over the period of the lease.

Profits and losses on sale and leaseback transactions are recognised in the reporting period in which they occur.

Grants

Grant revenue is recognised in the income statement when the entity receives the grant, when it is probable that the entity will receive the economic benefits of the grant and the amount can be reliably measured.

If the grant has conditions attached which must be satisfied before the entity is eligible to receive the grant, the recognition of the revenue will be deferred until those conditions are satisfied.

Where the entity incurs an obligation to deliver economic value back to the grant contributor, the transaction is considered a reciprocal transaction and the revenue is recognised as a liability in the balance sheet until the required service has been completed, otherwise the income is recognised on receipt.

Underwood Innovation Lab Pty Ltd receives non-reciprocal contributions of assets from the government and other parties for a nominal or zero value. These assets are recognised at their fair value on the date of acquisition in the balance sheet, with an equivalent amount of income recognised in the income statement.

	2025	2024
2. Receivables		
Current		
Prepayments	6,315	-
Total Current	6,315	-
Total Receivables	6,315	-

	2025	2024
3. Property Plant and Equipment		
Plant and Equipment		
Plant and equipment at cost	18,421	10,955
Accumulated depreciation of plant and equipment	(13,097)	(6,458)
Total Plant and Equipment	5,324	4,498
Total Property Plant and Equipment	5,324	4,498

	2025	2024
4. Intangibles		
Other Intangible Assets		
Intangibles	41,030	41,030
Intangibles - Accumulated Amortisation	(26,092)	(11,154)
Total Other Intangible Assets	14,938	29,876
Total Intangibles	14,938	29,876

	2025	2024
5. Provisions		
Provisions		
Accrued - Employee Entitlements (liability)	22,916	12,868
Accrued - Payroll Tax	27,167	40,024
Total Provisions	50,083	52,891
Total Provisions	50,083	52,891

	2025	2024
6. Cash & Cash Equivalents		

	2025	2024
Bank Accounts		
DDA - Business Online Saver	629,917	84,249
DDA - Business Transaction Account	78,991	274,847
Total Bank Accounts	708,909	359,096
Total Cash & Cash Equivalents	708,909	359,096
	2025	2024

7. Payables

Current		
Accounts Payable	41,040 	123,125
Corporate Credit Card - GC	3,503	-
Corporate Credit Card - HM	(2,462)	2,136
Corporate Credit Card - SY	3,566	-
PAYG Withholdings Payable	26,644	22,264
Superannuation Payable	11,112	33,531
Total Current	83,405	181,056
Total Payables	83,405	181,056

● Exchange rates used to convert foreign currency into AUD are shown below. Rates are provided by XE.com unless otherwise stated.

- 30 June 2025

 1.07789 NZD (New Zealand Dollar)

Directors Declaration

Underwood Innovation Lab Pty Ltd For the year ended 30 June 2025

The directors have determined that the company is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The directors of the company declare that:

1. The financial statements and notes, present fairly the company's financial position as at 30 June 2025 and its performance for the year ended on that date in accordance with the accounting policies described in Note 1 to the financial statements; and
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Director: Sarah Duncan 
Signer ID: 5VO8LBZA13...

Director: Stefan Korn 
Signer ID: ZNOEBATW13...

Dated: 10/14/2025 AEST

10/14/2025 AEST

Compilation Report

Underwood Innovation Lab Pty Ltd For the year ended 30 June 2025

Compilation report to Underwood Innovation Lab Pty Ltd

We have compiled the accompanying special purpose financial statements of Underwood Innovation Lab Pty Ltd, which comprise the balance sheet as at 30 June 2025, the income statement, a summary of significant accounting policies and other explanatory notes. The specific purpose for which the special purpose financial statements have been prepared is set out in Note 1.

The Responsibility of the Directors

The directors of Underwood Innovation Lab Pty Ltd are solely responsible for the information contained in the special purpose financial statements, the reliability, accuracy and completeness of the information and for the determination that the basis of accounting used is appropriate to meet their needs and for the purpose that financial statements were prepared.

Our Responsibility

On the basis of information provided by the directors we have compiled the accompanying special purpose financial statements in accordance with the basis of accounting as described in Note 1 to the financial statements and APES 315 *Compilation of Financial Information*.

We have applied our expertise in accounting and financial reporting to compile these financial statements in accordance with the basis of accounting described in Note 1 to the financial statements. We have complied with the relevant ethical requirements of APES 110 *Code of Ethics for Professional Accountants*.

Assurance Disclaimer

Since a compilation engagement is not an assurance engagement, we are not required to verify the reliability, accuracy or completeness of the information provided to us by management to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on these financial statements.

The special purpose financial statements were compiled exclusively for the benefit of the directors who are responsible for the reliability, accuracy and completeness of the information used to compile them. We do not accept responsibility for the contents of the special purpose financial statements.

A handwritten signature in black ink that reads "Sarah Robinson".

Signer ID: QL3JIENX16...

Sarah Robinson | Principal

Addept Pty Ltd | Level 1, 202 Hutt Street, Adelaide SA 5000

Dated: 10/14/2025 AEST

Directors' Resolution

Underwood Innovation Lab Pty Ltd For the year ended 30 June 2025

Resolution of Directors

It was noted that the previous resolutions have been signed as a true record.

No Payment of Dividend

The directors did not recommend the payment of a dividend.

Financial Statements

The directors reviewed the financial statements and notes to the financial statements of the company in respect of the year ended 30 June 2025 and it was resolved that they be and are hereby adopted.

Company's Solvency

The directors resolved after reviewing the profit and cash flow budgets and considering the ability of the company to realise assets that the company would be able to pay its debts as and when they become due and payable.

Non-Reporting Entity

The directors resolved that the company is a non-reporting entity and to the best of the knowledge and belief of the directors would remain so in the current financial year.

Directors' Declaration

It was noted that the directors had reviewed the Directors' Declaration in respect of the year ended 30 June 2025 and resolved that such Directors' Declaration be approved and signed.

Signed as a true and correct record:

Underwood Innovation Lab Pty Ltd

671 621 186



Signer ID: 5VO8LBZA13...

Sarah Duncan



Signer ID: ZNOEBATW13...

Stefan Korn



Dated: 10/14/2025 AEST

10/14/2025 AEST