

# TRANSMAX Annual De

# **Annual Report**

2020-2021

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# Message from the Chair and CEO

Transmax acknowledges the enduring economic and social impact of COVID-19 on communities, business and government both in Australia and globally during the year. Transmax continued to operate in a challenging operational environment as a result of the pandemic. We commend our teams for adapting to the recurring interruptions to workplace arrangements as a result of snap lockdowns and other restrictions and for maintaining their commitment to delivering on projects and providing positive outcomes for customers in these unprecedented times.

During the year, the strong strategic focus on achieving financial stability and transforming the business resulted in improved financial performance compared with the previous financial year, with the company recording a profit after tax. As a for-purpose organisation, these funds will be reinvested back into the company for the benefit of customers and communities.

Achieving this result in an ever-changing environment was as much in part to our strong customer base and their continuing support as the commitment from our people to remain focussed on customers' needs.

We are pleased to report that during the year we acquired another Australian jurisdiction for the use of STREAMS for road network management. Transmax is providing a STREAMS solution to the Northern Territory's Department of Infrastructure, Planning and Logistics, supporting them to achieve an integrated regional transport system. A five-year contract was formally signed in March 2021.

With the STREAMS Future State Project secured, our teams focussed on progressing the first programme of works, that will ultimately deliver products to solve existing and emerging transport management challenges using cuttingedge technologies. Over time, the project will refresh STREAMS capabilities to improve their security, scalability, usability and resilience. The new architecture will be designed to encourage open innovation and inter-agency collaboration. Early works includes further development of capabilities for a situational awareness feature that will create measurable improvements in efficiency, safety and value of transport networks. We remain committed to inspiring and supporting customers to successfully deliver the future of transportation, and there has been excellent engagement with customers already as we build a platform that is responsive to their current and future needs.

In addition, there have been further advancements to the company's STREAMS Smart Motorways product that is a proven solution to reduce congestion and increase safety on motorways. While our primary focus will always be on Australian road agencies and providing creative solutions that ease congestion and improve travel conditions for the benefit of the residents of Australia, we are also pursuing international licensing opportunities in the United States with the STREAMS Smart Motorways product. A trial of the solution by the Colorado Department of Transportation is due to commence in the coming months in Colorado, and we are progressing discussions with two other American Departments of Transportation. A strategy to successfully operate in international markets is in development.

The Intelligent Transport Systems (ITS) industry and the solutions that stem out it are going to play an instrumental role in solving existing and future transport challenges. Transmax is excited about the opportunities that lie ahead and being part of the movement to accelerate innovation in transportation management by making emerging technologies more accessible to solve mobility problems in the most impactful way.

We thank and acknowledge our team of people for their commitment to the company and for developing products and services that deliver real and ongoing value to our customers. In addition, we thank our customers for their loyalty to Transmax and for working with us collaboratively to improve STREAMS for the benefit of all customers and the communities they serve. We are pleased with the progress of the organisation this year, and feel that our stronger financial position is a notable achievement to the benefit of our Shareholder.



Kathryn Giudes
Chair, Non-Executive Director



Nikki Allder
Transmax CEO



# About this report

This report provides an overview of the company's performance in 2020-21, including highlights from the reporting period, and Financial Statements for the year ended 30 June 2021.



### **About Transmax**

We place our customers at the centre of everything we do and work collaboratively to ensure our ITS solutions meet their needs.

Transmax is a government-owned transport solutions provider of the ITS platform STREAMS. The company exists to improve people's quality of life and helps move millions of commuters around Australian road networks every day. The company partners with customers to deliver creative solutions that optimise transport networks and support safer and more reliable road journeys.

Transmax places its customers at the centre of everything it does and works collaboratively to ensure the company's ITS solutions meet customers' needs. The company provides STREAMS to more than 13 traffic management centres across Australia and manages more than 80,000 devices in Australia. Transmax offers customers systems engineering, software design and development, and a range of consulting and support services throughout the entire ITS lifecycle.

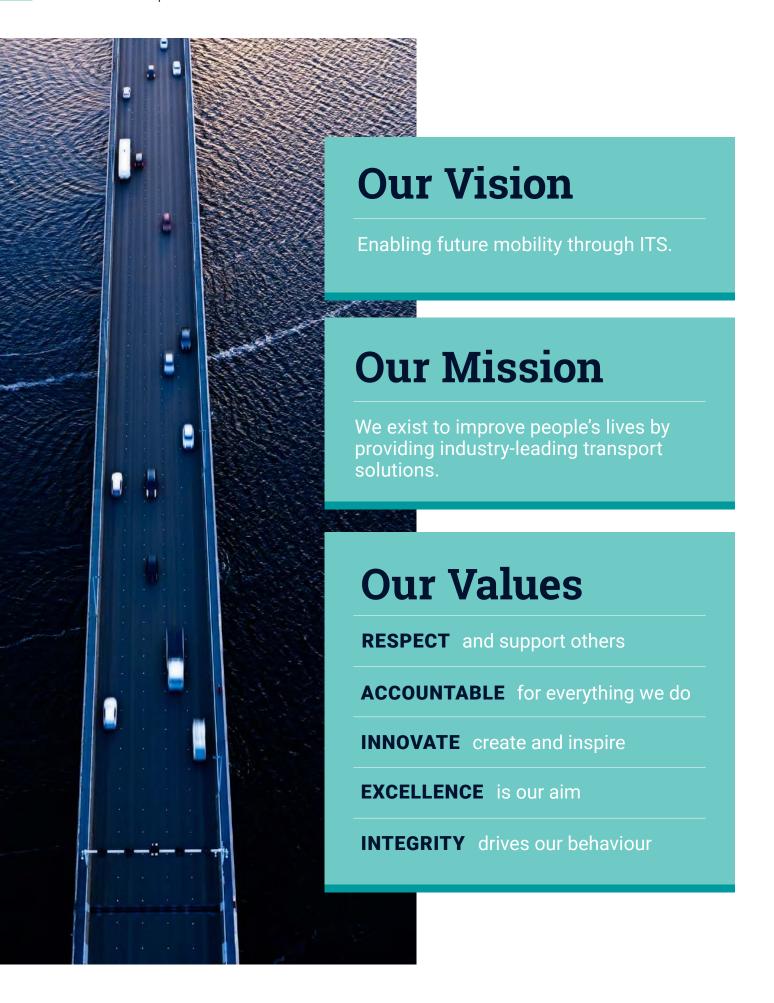
Transmax has more than 50 years of ITS experience and is committed to working with customers and supporting them to realise the community benefits of optimising transport networks by providing smarter, more sustainable ITS solutions.

Transmax is an unlisted Australian company wholly owned by the Queensland Government Department of Transport and Main Roads. The company is registered under the *Corporations Act 2001*. Transmax's 100% shareholder is the Queensland Director-General for Transport and Main Roads.

As a government-controlled entity, Transmax supports other transport departments around Australia to achieve safer and more reliable road journeys for people in the communities they serve.

Transmax operates according to commercial principles including ASIC's OECD Principles of Corporate Governance and raises its own revenue.







# Governance structure

### **BOARD OF DIRECTORS**

The Board is responsible for the overall corporate governance of Transmax including determining its strategic direction, establishing goals for management and monitoring the achievement of these goals.



Kathryn Giudes Chair, Non-Executive Director



Julianne Mitchell Non-Executive Director



John Frazer Non-Executive Director

### **BOARD REMUNERATION**

Position	Name	Meetings/ sessions attendance	Approved annual, sessional or daily fee	Approved sub-committee fees if applicable	Actual fees received
Chair Non-Executive Director	Kathryn Giudes	9	\$56,270 pa	\$3,000 pa	\$59,269.86 *
Non-Executive Director	John Frazer	10	\$28,065 pa	\$4,000 pa	\$32,065.02 **
Non-Executive Director	Julie Mitchell	10	Nil ***		

<sup>\*</sup> as Chair - Non-Executive Director and 1 sub-committee

<sup>\*\*</sup> as Non-Executive Director and 1 sub-committee Chair

<sup>\*\*\*</sup> Queensland Government employee

### SENIOR LEADERSHIP TEAM (SLT)

Transmax's senior leadership team comprises highly experienced professionals fully committed to building and investing in our people to enable us to support customers to successfully deliver the future of transportation.



Nikki Allder Chief Executive Director



**Lynette Sperling**Chief Operations Officer



Andrew Paynter
Chief Technology Officer



Chris Fullelove
Chief Services Officer



Todd Pursey Chief Customer and Commerical Officer



Domenic Fasone
Executive Director,
Corporate Development
and Strategic Projects

### COMPANY ENTERTAINMENT

No corporate entertainment or hospitality events over the value of \$5,000 were held by Transmax during the 2020-21 financial year.



## Strategic update

During the year, the Senior Leadership
Team undertook further strategic
business planning and finalised a new
Strategic Plan for the company that
sets the direction for a successful
future for Transmax. The plan and its
strategic initiatives focus on the pillars
of business sustainability; engaged and
capable people; customer focus; future
growth; and innovation.

As part of this planning, the company developed a Statement of Corporate

Intent for 2020-21, which sets out a set of guiding principles and goals that are consistent with Transmax's 2020-21 Corporate Plan.

In 2021-22, Transmax will continue to be led by its strategic plan that focusses on a range of strategic initiatives to deliver excellent outcomes for customers, innovate to produce the next generation of Transmax products and build a sustainable future for Transmax.





### TRANSMAX RESPONSE TO COVID-19

Transmax acknowledges the ongoing challenges and disruptions faced by individuals, communities, business and government as the global COVID-19 pandemic continued into 2021.

As a company, we continued to be proactive in our response to the pandemic in accordance with our COVID-19 Response Plan, crisis management and business continuity plans, and in line with recommendations from government and health authorities. The quick and effective mobilisation of staff in 2020 set the business up to be prepared for regularly-changing workplace arrangements during

2020-21 as a result of snap lockdowns and other restrictions. Critical operational staff continued to attend the Transmax site with strict COVID-19 protocols in place to ensure their health and safety.

The company is advocating for employee uptake of the COVID-19 vaccine and supporting staff during this process. Regular internal communications are distributed to employees to inform them of updates to workplace arrangements, and customer support services including accessing technical support services remained available 24/7.

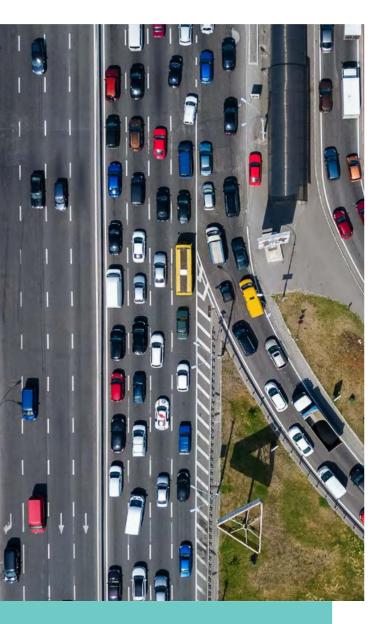
### Transmax's ongoing management of COVID-19 is intended to:

- prioritise the health and wellbeing of staff, their families and the broader community
- ensure business continuity to enable ongoing customer support and project delivery
- maintain financial stability and retention of the workforce
- maintain an agile approach to addressing ongoing and emerging issues
- minimise the opportunity for transmission to reduce the burden on health systems.





# Our customers



Transmax provides STREAMS to road agencies and private road operators across Australia. In Australia, Transmax has customers in Queensland, Victoria, Western Australia, Tasmania, South Australia, Australian Capital Territory and the Northern Territory.

We place our customers at the centre of everything we do and work collaboratively with them to be their ITS supplier of choice.

Transmax offers customers systems engineering, software design and development, along with a range of consulting and support services throughout the entire ITS lifecycle.

Customers and communities are benefiting significantly from the use of STREAMS including reduced travel time and vehicle operating costs, improved safety, reduced operational costs, greater economic flow, reduced emissions, and the ability to accurately measure and compare performance of the road network.





Department of Transport and Main Roads









Department of Transport













### **DOMESTIC CUSTOMERS**

**Department of Transport and Main Roads** Queensland

Main Roads Western Australia (MRWA) Western Australia

Roads ACT

**Australian Capital Territory** 

**Department of Transport** Victoria

**Department of Infrastructure and Transport** South Australia

Department of State Growth

Tasmania

Department of Infrastructure, Planning and Logistics

**Northern Territory** 

Transurban

Queensland

**Ventia** 

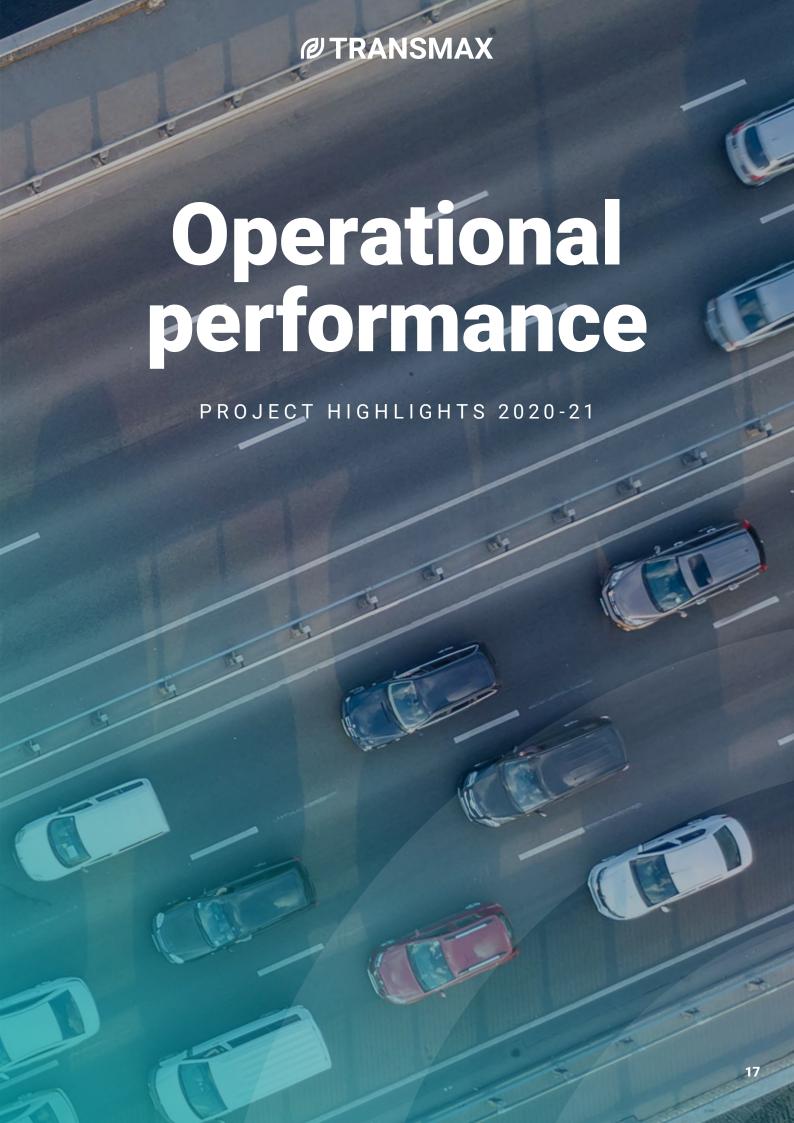
(previously Broadspectrum)

**Local Government Areas** 

Various Queensland LGAs

#### INTERNATIONAL

Colorado Department of Transportation (CDOT) and WSP



# STREAMS Future State Project

The STREAMS Future State Project will deliver products to solve existing and emerging transport management challenges using cutting-edge technologies. Over time, the project will refresh existing STREAMS capabilities to improve their security, scalability, usability and resilience. The new architecture will be designed to encourage open innovation and interagency collaboration. Early works include further development of situational awareness capabilities through the project's STREAMS Common Operational View (COV) feature. STREAMS COV will create

measurable improvements in efficiency, safety and value of transport networks by increasing traffic management centre operations situational awareness and enhancing response capabilities with actionable insights.

Transmax remains committed to inspiring and supporting customers to successfully deliver the future of transportation and there has been excellent engagement with customers already as we build a platform that is responsive to their current and future needs.

### STREAMS COMMON OPERATIONAL VIEW (COV)

STREAMS COV combines multiple sources of network information to rapidly identify and respond to network problems to increase the value of transport networks. Operations rooms equipped with COV will have complete situational awareness of the network state including speed, occupancy and volume data, network abnormalities, triagable incident feeds from multiple sources, combined with configurable decision support, logging and response workflows.

During the year, Transmax continued its engagement with end users of one of



the major traffic management centres in Australia to glean user centric requirements that are focused on strategic and operational outcomes. The COV feature is now being used by a select group of STREAMS users as the product team continue to develop it as part of the STREAMS Future State Project.



## Queensland

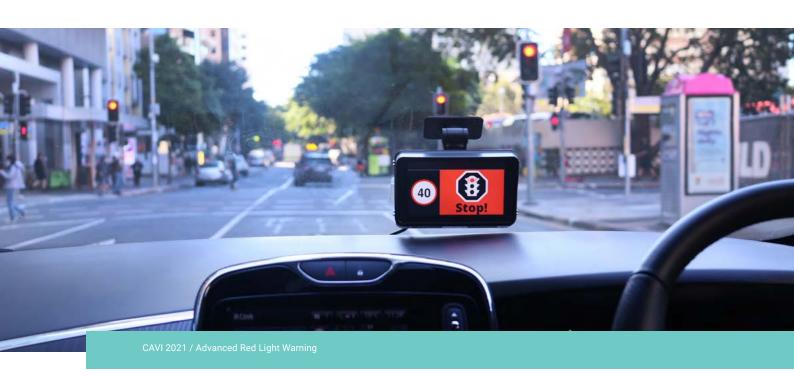
## **Department of Transport and Main Roads**

### CO-OPERATIVE AND AUTOMATED VEHICLE INITIATIVE (CAVI)

As a partner in the Department of Transport and Main Roads' CAVI project, Transmax continued to provide specialised cloud-based software development expertise to the project during the year. A team of ITS and cloud specialists from Transmax has been based at Transport and Main Roads (TMR) for the past three years to support them with the project.

CAVI technology is being used for the Oueensland Connected Vehicle Trial (QCVT) which is a two-year project with the operational scope extended to the Bruce Highway, Cairns to Coolangatta and the Warrego Highway west to Charleville.

A Transmax employee based at TMR is leading the work for the new development work that will see QCVT safety messages published on the QLDTraffic web app. In the year ahead, Transmax will continue to offer its expertise to the CAVI project as TMR progresses this initiative.



### **Tasmania**

### **Department of State Growth**



### OPERATIONS MANAGEMENT AND CONTROL SYSTEM (OMCS)

During the year, Transmax worked with the Department of State Growth (DSG) in Tasmania to deliver the Operations Management and Control System (OMCS) Project that saw DSG upgrade from its previous STREAMS ITS system to a new OMCS.

The project was completed during the year enabling road network users and visitors to Tasmania to begin to experience the benefits of the extension of current capabilities, and the introduction of many new smart road network management capabilities. This included the introduction of managed freeways, automated and event-driven incident detection

and response, algorithm-based lane use management, automation of the tidal flow of the Tasman Bridge, expansion of travel time information capabilities, and data and business intelligence capabilities to capitalise on the abundance of new data to make more informed strategic and operational decisions.

With completion of the delivery of the specifications and requirements for the OMCS project, Tasmania's road network can be considered a nation-leading and world-class example of intelligent road network management capability.



### Western Australia

### **Main Roads Western Australia**

### KWINANA SMART FREEWAY

During the year, Transmax worked with Main Roads Western Australia (MRWA) to support them to deliver Perth's first Smart Freeway, which opened in August 2020.

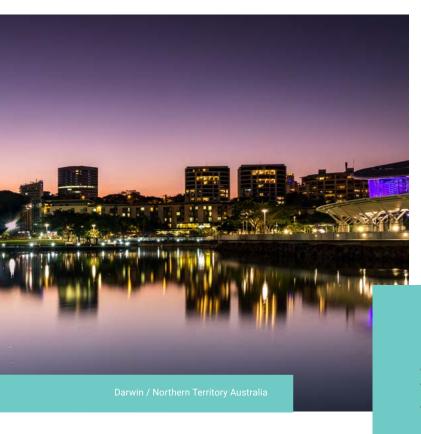
The project utilised the company's Smart Motorways Dashboard product and the Transmax team set-up the system for the smart freeway including a STREAMS upgrade.

It was a significant undertaking for both MRWA and Transmax and the success of the project relied heavily on our expertise and experience to make it happen. The Smart Freeway in Perth is providing excellent outcomes for both MRWA and the community including significant travel time savings and less congestion.



## **Northern Territory**

# Department of Infrastructure, Planning and Logistics



#### STREAMS SYSTEM

During the year, Transmax signed a contract with the Northern Territory Government Department of Infrastructure, Planning and Logistics to support them to achieve their goal of an integrated transport system.

The system Transmax is providing will integrate with various systems and devices currently used by the Department as well as other systems and devices in the future.

#### The STREAMS solution and services includes:

- . STREAMS
- STREAMS Incident Management System
- Integration of CCTV, SCATS® and Addinsight
- Device integration (school signs and simple devices such as UPS)

After delivering the STREAMS solution, Transmax will continue to work with the Department to deliver additional services based on an agreed roadmap between Transmax and the Department.



### **Victoria**

# **Department of Transport** (DoT), Victoria

### **WEST GATE TUNNEL PROJECT**

The Victorian Government and Transurban are delivering the West Gate Tunnel Project to provide an alternative to the West Gate Bridge.

This will provide a much-needed second river crossing, alleviate congestion and provide quicker and safer journeys.

The project will build a tunnel that links the M2 with the M1 in Melbourne. The tunnel requires interaction with DoT's STREAMS platform to share and control devices. Transmax's involvement in the project is to create an interface between the SIDERA system SICE and DoT's existing STREAMS system.



### **International**

### **Colorado Department of Transportation and WSP**

### SMART 25 MANAGED MOTORWAYS PILOT PROGRAM



Transmax's STREAMS Smart Motorways solution is a sophisticated suite of motorway management tools that is enabling road operators to tackle congestion and make people's road journeys safer and more reliable. The solution is a comprehensive suite of algorithms that prevent flow breakdown and accidents before they happen. It also provides tools to respond to incidents, if they occur, to get people moving again. The solution coordinates variable speed signs, ramp signals, dynamic message signs, lane control, and travel time signs that respond in real time to whatever is happening on the motorway.

STREAMS Smart Motorways is being trialled by the Colorado Department of Transportation (CDOT) as part of a managed motorways Smart 25 pilot project along I-25 in the Denver metro area in partnership with Transmax, Department of Transport Victoria, and WSP. The aim of the pilot is to address recurring congestion and unreliability on this vital link between Denver's central business district and the Southeast Denver Tech Center.

During the year, Transmax deployed the STREAMS Smart Motorways Dashboard for the CDOT trial, which went live in mid-2021. The initial data collection phase was formally underway at the time of publishing this report. In the year ahead, the team will focus on supporting the CDOT Pilot from data collection into the coordinated, adaptive ramp metering phase.



# Innovation and R&D Highlight

### **STREAMS Smart Motorways:**

### **DASHBOARD**

The STREAMS Smart Motorways Dashboard provides transport network operators (and related users) with a suite of visualisations, analytics and insights into motorway onramp, bottleneck and mainline performance, delivered securely through leading-edge web application and cloud platform technologies.





These capabilities build on those provided by the motorway management service within the STREAMS ITS platform, with selected capabilities reimagined and modernised, and new capabilities developed in line with industry research and academic partnerships, making it easier to understand and optimise motorway performance.

Powered by STREAMS Gateway, it has access to all the information in STREAMS that it may need. The STREAMS Smart Motorways Dashboard is active in Queensland and Western Australia and was further evolved during the year based on feedback from users and experimentation.

The STREAMS Smart Motorways Dashboard is being used as part of the Colorado Department of Transportation's Smart 125 trial in partnership with Transmax, Department of Transport Victoria and WSP.



## Our people

Our aim is to build teams of inspired, engaged and capable people to produce outstanding results for customers and the organisation. Despite operating in a COVID-19 environment, the company employed 20 new people during the 2020-21 financial year. Many of these recruits were into high-level and specialised technical roles to ensure we have the right mix of skills and expertise to progress the STREAMS Future State Project. At year-end, Transmax had 126 employees (114 FTE employees) supporting the work we do for customers.



#### **TRAINING & DEVELOPMENT**

Transmax is committed to investing in our people and ensuring employees engage with learning and development opportunities. This promotes a positive workplace and contributes to teams that are empowered to perform at their best.

Transmax spent 3,459 hours in further professional development of our staff in 2020-21. This supports our goal of having a highly capable and agile workforce to deliver value to our customers.

During the year, our approach to training and development initiatives for our staff had to shift into a progressive approach in response to the COVID-19 global pandemic as in-person training and development options were severely limited. Instead, Transmax empowered and encouraged our staff to upskill within their respective teams and take on a remote learning approach for any professional development courses or topics which are relevant to their roles and individual career goals.



#### **DIVERSITY**

At Transmax, we appreciate the importance of creating an environment in which all of our employees feel valued, included and empowered.

We recognise that each employee's unique experiences, perspectives and viewpoints are important to creating products that engage and inspire our customers.

We are committed to building a team of engaged and capable people and fostering leadership that is inclusive – embracing different cultures, ethnicities, genders and sexual orientation. We aim to create a workplace culture that inspires a culture of excellence, fosters growth and advancement, attracts the best talent and creates a sense of pride in everything we do across our company.



In addition, Transmax continued compliance with mandatory annual reporting to the Workplace Gender Equality Agency (WGEA), and there have been no flagged non-compliances, warnings or improvement notices issued from the Agency regarding our total workforce metrics, remuneration, polices or strategies in use at Transmax.

#### **SAFETY**

During the year, there were three WorkCover claims made, resulting in zero days of lost time injury. All three incidents occurred either on the journey to or from the workplace.

During the year, an external consultant was engaged by Transmax to undertake a follow up review of the operational implementation of its Work Health and Safety Management System (WHSMS) against AS/NZS4801 Occupational health and safety management systems – Specification with guidance for use.

A significant improvement and the continued focus and leadership of management and WHS risks in the Transmax working environment was reported. We continue to lead and drive a positive risk culture, and we expect the organisation to pursue alignment to ISO45001 standards at the next external audit in 2022.





**Transmax Pty Ltd ABN 59 099 487 573** 

# Financial Statements

FOR THE YEAR ENDED 30 JUNE 2021



### TRANSMAX PTY LTD

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#### TRANSMAX PTY LTD

### DIRECTORS' REPORT 30 JUNE 2021

The directors present their report together with the financial report of Transmax for the year ended 30 June 2021.

#### **Directors**

**Kathryn Giudes** (Chair – Non-executive director)

Kathryn Giudes was appointed as a non-executive director (Chair) to the Board of Transmax on 11 February 2019. Kathryn has a strong background in technology, sales and early stage start-up companies. Kathryn has more than two decades of experience designing, building and running large internet-based businesses. Prior to becoming a professional director, Kathryn was Senior Director of Xbox Games Marketplace as well as Microsoft Store online where she managed the profit and loss and global expansion in over 200 geographies with both having an annual revenue budget in the low billions of dollars. Kathryn has extensive technical and commercial experience in software and hardware solutions.

Kathryn holds a Bachelor of Science (BSc) in International Marketing from Oregon State University and Associate of Science (ASc) - Computer Science and Information Systems from Shoreline Community University. Kathryn is a member of the Australian Institute of Company Directors.

#### John Frazer (Non-executive director)

John Frazer was appointed as a non-executive director to the Board of Transmax on 11 February 2019. John joins the Board with more than two decades of experience working for the Queensland Treasury Corporation. John has extensive experience in advising Ministers and the Government in matters relating to government-owned corporations and statutory bodies and brings high level finance and strategic skills through working across a diverse range of businesses.

John is currently a director of several government-owned entities including Queensland Treasury Holding Pty; Dalrymple Bay Coal Terminal Holdings Pty Ltd; Brisbane Ports Holding Pty Ltd; Queensland Airport Holdings (Mackay) Pty Ltd; and Queensland Airport Holdings (Cairns) Pty Ltd. John holds a Bachelor of Commerce from the University of Queensland, is a Chartered Accountant, and has completed the Company Directors Course with the Australian Institute of Company Directors.

### Julie Mitchell (Non-executive director)

Julie Mitchell was appointed as a non-executive director to the Board of Transmax on 11 February 2019. Julie is a Deputy Director-General of the Department of Transport and Main Roads. Julie has more than three decades of experience in civil engineering covering a broad range of transport-related senior civil engineering and leadership roles. In addition, Julie has significant organisational and technical leadership and development experience.

As Chief Engineer at the Department of Transport and Main Roads for eight years, Julie led and managed the Engineering and Technology Division comprising more than 340 staff. During her time in this role, Julie was responsible for driving a significant change agenda and reform to embed and drive customer focus, innovation, efficiency, technical relevance and responsiveness.

Julie holds a Master of Business Administration (University of Queensland), a Master of Environmental Management in Sustainable Development (University of Queensland), a Master of Engineering Science (University of Queensland), and a Bachelor of Engineering (Civil) – Hons (University of Queensland), and has completed the Company Directors Course with the Australian Institute of Company Directors. Julie is a Fellow of the Institution of Engineers Australia.

#### TRANSMAX PTY LTD

### DIRECTORS' REPORT 30 JUNE 2021

### Company Secretary Peta Perring

Peta Perring was appointed to the role of company secretary for Transmax on 1 July 2020. Peta is a corporate lawyer with over 20 years' experience gained in top tier private legal practices and in an in-house legal counsel and company secretary function. Peta has complementary skills, qualifications and experience in all aspects of corporate governance, board/management interface, communication and stakeholder engagement.

Peta has over 15 years' experience as a non-executive director of government and not-for-profit boards. These board roles draw on her strong legal, governance, strategic planning and risk management skills. Peta is a Fellow member of both the Australian Institute of Company Directors and the Governance Institute of Australia. Peta also holds post graduate and undergraduate degrees in law and business.

### **Directors' meetings**

The number of directors' meetings (including meetings of committees of directors) and the number of meetings attended by each of the directors of the company during the financial year are:

#### TABLE OF DIRECTORS' BOARD MEETINGS

Director	Board Meetings			
	No. of Meetings Attended	No. of Meetings Held		
K Giudes (Chair)	9	10		
J Frazer	10	10		
J Mitchell	10	10		

#### TABLE OF DIRECTORS' SUB-COMMITTEE MEETINGS

Director	Risk and Audit Committee Meeting			
	No. of Meetings Attended	No. of Meetings Held		
J Frazer (Chair)	4	4		
K Giudes	3	4		
J Mitchell	4	4		

#### **Corporate Governance Statement**

Transmax Pty Ltd (the Company) was created because of the Queensland Government's recognition of the value created in its investment in the STREAMS Intelligent Transport System. In order for the value to be preserved and enhanced, it was necessary to develop a broader customer base. The government recognised that achieving long-run sustainability of the STREAMS system would ensure ongoing provision of skilled jobs.

This statement outlines the main corporate governance practices that were in place throughout the financial year.

## DIRECTORS' REPORT 30 JUNE 2021

#### **Board of Directors**

The Board is responsible for the overall corporate governance of the Company including determining its strategic direction, establishing goals for management and monitoring the achievement of these goals. Where possible the Board follows a Charter and a Corporate Governance Framework. This framework was previously developed based on the 10 Principles of the ASX Corporate Governance Council.

#### Composition of the Board

The Chair and directors are appointed by the shareholder. The following persons held the Office of Director of the company during the financial year:

Kathryn Giudes – Chair - Non-executive director John Frazer – Non-executive director Julie Mitchell – Non-executive director

The directors provide a mix of strategic, financial, managerial and technical skills. The directors meet regularly throughout the year.

#### **Risk & Audit Committee**

This committee was established in September 2013 as the Operations, Risk and Audit Committee, then replaced as the Risk and Audit Committee in November 2015. The committee aims to provide guidance and oversight of:

- corporate governance,
- internal control structures,
- risk management; and
- internal and external audit functions.

#### Committee members include:

- ♦ John Frazer Chair Non-executive director
- ♦ Julie Mitchell Non-executive director
- ♦ Kathryn Giudes Non-executive director

The external auditors and other company officers are invited to these meetings at the discretion of the committee. The committee meets quarterly unless otherwise required. The committee members' attendance record is disclosed in the Table of Directors' Sub-Committee Meetings on page 34.

#### Internal control framework

The Board acknowledges that it is responsible for the overall internal control framework, but recognises that no cost-effective internal control system will preclude all errors and irregularities.

## DIRECTORS' REPORT

30 JUNE 2021

To assist in discharging this responsibility, the Board has instigated a business planning and budget development process, resulting in an annual budget which is reviewed and approved by the directors. Monthly actual results are reported against budget and the Company's overall performance is monitored by the Board. The Risk & Audit Committee was established to assist this process.

#### The role of the shareholder

The Board of Directors aims to ensure that the shareholder of the Company, the Director-General of the Queensland Department of Transport and Main Roads, who is the shareholder on behalf of the State of Queensland, is informed of all major developments affecting the Company's state of affairs.

#### Independent professional advice and access to company information

Each director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chair, may seek independent professional advice at the Company's expense. A copy of advice received by the director should be made available to all other members of the Board.

#### Directors' interests and benefits

No directors received or became entitled to receive any benefit as a result of a contract made by the Company with a director or with a firm of which a director is a member, or with an entity in which the director has a substantial financial interest. All directors' payments are included within the key management personnel disclosures note 21.

#### Indemnification and insurance of directors and officers

During the year Transmax Pty Ltd paid a premium of \$13,371.42 to insure the directors, secretary, and officers of the Company. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities from conduct involving a wilful breach of duty by the officers or the improper use of their position or of information to gain advantage for themselves, or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other possibilities.

#### Directors' special responsibilities

Directors undertake many special responsibilities with respect to the Company other than the collective corporate responsibilities attributed to the Board of Directors as a whole, as outlined in the Company's Corporate Governance Manual. These include the involvement of directors in the Risk & Audit Committee.

#### **Principal activities**

The principal activities of Transmax are the development, support, and distribution of the STREAMS® Intelligent Transport System and related services. There have been no significant changes in the nature of those activities during the year.

## DIRECTORS' REPORT

#### **Dividends**

Dividends have not been declared or paid for the year ended 30 June 2021.

#### Significant changes to the state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs that occurred during the financial year under review.

#### **Corporate structure**

Transmax Pty Ltd is a private company, limited by shares, incorporated, and operating in Queensland Australia. Transmax is 100% owned by the Queensland Department of Transport and Main Roads (TMR). The Director-General of TMR, is the sole shareholder.

#### **Review of operations**

The profit after income tax for the financial year was \$1,935,440 (2020 loss after income tax was \$212,449).

#### General

Staff and contractor numbers have decreased over the period, with a total full-time equivalent of 114 at 30 June 2021 (2020: 123).

#### **Taxation**

Transmax is subject to the National Taxation Equivalents Regime (NTER).

#### **Events subsequent to financial position date**

There are no events.

#### Likely developments

There are no likely developments to be disclosed.

### **Environmental regulation**

The Company is not subject to any significant environmental regulation in respect to its principal activities.

## DIRECTORS' REPORT

30 JUNE 2021

## Going concern basis

This report is made in accordance with a resolution of the directors. The Department of Transport and Main Roads has provided a letter of financial support. In forming the opinion that there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due, the directors have reviewed the statement of comprehensive income, statement of financial position, and statement of cash flows. These have been prepared on the basis that Transmax is a going concern.

Transmax has performed well financially during 2021 due to the Company's strong customer base and the ITS/transport industry not being significantly impacted by COVID-19 restrictions.

## Risk management

The Company, in carrying out its business, maintains a risk management philosophy that appropriately:

- protects the wellbeing of the Company's workforce, the wider community in which it operates;
   and
- manages threats that could adversely impact on the Company's ability to meet its corporate objectives, its growth in shareholder value and its stewardship of company assets.

#### Proceedings on behalf of the company

There are no instances where a person has applied for leave of the court and or has brought or intervened in proceedings on behalf of the Company.

#### Auditor independence

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is included following the Directors' Report.

Signed in accordance with a resolution of the directors.

Kathryn Giudes

Chair - Non-Executive Director

Figure

16 September 2021

Date

John Frazer

Non-Executive Director

16 September 2021

Date

#### **AUDITOR'S INDEPENDENCE DECLARATION**

To the Directors of Transmax Pty Ltd

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

#### Independence declaration

As lead auditor for the audit of Transmax Pty Ltd for the financial year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

Vaughan Stemmett

as delegate of the Auditor-General

16 September 2021

Queensland Audit Office Brisbane

## STATEMENT OF COMPREHENSIVE INCOME

#### FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021	2020
		\$	\$
Revenue	2	25,894,312	22,530,190
Other income	3	196,642	793,086
Total income	<u>-</u>	26,090,954	23,323,276
Employee benefit expenses	4	(15,268,117)	(16,181,434)
Raw materials and consumables	5	(2,905,768)	(2,404,724)
Depreciation and amortisation	10/11/12	(2,080,003)	(2,046,723)
Other expenses	6	(2,306,295)	(2,532,277)
Finance costs		(105,186)	(113,583)
Impairment	12	-	(176,852)
Disposals and write-offs	10/12	(1,034,926)	-
Profit/(loss) for the year	_	2,390,659	(132,317)
Income tax (expense)/benefit	7(b)	(455,219)	(80,132)
Total profit/(loss) for the year	<del>-</del>	1,935,440	(212,449)
Other comprehensive income		-	-
Total comprehensive income/ (expense) for the year attributable	-	1,935,440	(212,449)
to owners of the company			

## STATEMENT OF FINANCIAL POSITION

#### **AS AT 30 JUNE 2021**

	AS AT 30 JUNE 2021		2224	
		Note	2021	2020
400570			\$	\$
ASSETS				
CURRENT ASSETS			44.050.000	7 005 000
Cash and cash equivalents			11,050,882	7,685,309
Trade and other receivables		8	3,396,723	3,105,244
Contract assets		9	1,200,263	857,480
Prepayments			344,743	331,822
Inventories			101,923	263,039
TOTAL CURRENT ASSETS			16,094,534	12,242,894
NON-CURRENT ASSETS				
Deferred tax assets		7(d)	1,073,623	1,192,690
Property, plant & equipment		10	661,596	604,017
Right-of-use assets		11	5,588,394	6,386,659
Prepayments			57,486	-
Intangible assets		12	3,958,850	4,140,621
TOTAL NON-CURRENT ASSETS			11,339,949	12,323,987
TOTAL ASSETS			27,434,483	24,566,881
LIABILITIES		<del></del>		
CURRENT LIABILITIES				
Trade and other payables		13	1,929,161	1,423,729
Accrued employee benefits		14	2,524,998	2,517,370
Current tax liabilities		7(f)	280,944	(590,348)
Provisions			192,321	165,581
Unearned revenue			958,403	596,837
Lease liability		11	899,858	841,903
TOTAL CURRENT LIABILITIES			6,785,685	4,955,072
NON-CURRENT LIABILITIES				
Accrued employee benefits		14	212,147	180,427
Unearned revenue			45,747	271,674
Lease liability		11	5,314,015	6,073,466
Deferred tax liability		7(e)	785,150	729,943
TOTAL NON-CURRENT LIABILITIES			6,357,059	7,255,510
TOTAL LIABILITIES			13,142,744	12,210,582
NET ASSETS			14,291,739	12,356,299
EQUITY			+	=
Issued capital		15	5,601,062	5,601,062
Retained earnings		16	8,690,677	6,755,237
TOTAL EQUITY			14,291,739	12,356,299
			<del></del>	

This statement is to be read in conjunction with the accompanying Notes and Significant Accounting Polices

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2021

	Contributed equity	Retained	Total equity
	\$	profits/(Losses)	\$
		\$	
Balance at 1 July 2020	5,601,062	6,755,237	12,356,299
Net profit/(loss) for period	-	1,935,440	1,935,440
Capital issued	-	-	-
Balance at 30 June 2021	5,601,062	8,690,677	14,291,739

Balance at 1 July 2019
Net profit/(loss) for period
Capital issued
Balance at 30 June 2020

Contributed equity \$	Retained profits/(Losses)	Total equity \$
601,062	6,967,686	7,568,748
-	(212,449)	(212,449)
5,000,000	-	5,000,000
5,601,062	6,755,237	12,356,299

## STATEMENT OF CASH FLOWS

#### FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES:		Ψ	Ψ
Receipts from customers (inclusive of GST)		28,518,668	25,687,686
Payments to suppliers and employees (inclusive of GST)		(22,738,186)	(23,038,395)
Interest received		5,874	20,557
Gain/(Loss) on FX denominated transactions		(11,600)	(16,528)
Interest and other costs of finance paid		-	-
Grants received		-	-
Income tax paid		590,347	205,939
Net cash inflow from operating activities	24	6,365,103	2,859,259
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payments for property, plant and equipment		(461,963)	(348,682)
Proceeds from disposal of property, plant and equipment		-	16,453
Payments for intangibles		(1,597,692)	(1,036,652)
Net cash (outflow) from investing activities		(2,059,655)	(1,368,881)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Repayment of Leases		(939,875)	(895,537)
Proceeds from issue of shares		-	5,000,000
Net cash inflow/(outflow) from financing activities	,	(939,875)	4,104,463
	•		
Net increase in cash and cash equivalents		3,365,573	5,594,841
Cash and cash equivalents at beginning of year		7,685,309	2,090,468
Cash and cash equivalents at end of financial year	-	11,050,882	7,685,309

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### 1 Summary of Significant Accounting Policies

The financial report covers Transmax Pty Ltd as an individual entity.

The following is a summary of the material accounting policies adopted by the economic entity in the preparation of this report. The accounting policies have been consistently applied, unless otherwise stated.

## (a) 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 and the *Corporations Act 2001*. Transmax Pty Ltd is a for-profit company limited by shares, incorporated and domiciled in Australia.

### i) Historical Cost Convention

The financial report has been prepared on an accruals basis and is based on historical costs unless otherwise stated.

#### ii) Comparatives

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

iii) New, revised or amended Accounting Standards and Interpretations

No new accounting standards applicable for the first time in 2020-21 had a material impact on the company.

#### (b) Going Concern

The financial statements have been prepared on a going concern basis, which assumes Transmax will be able to pay its debts as and when they fall due. Transmax has recognised a net profit of \$1,935,440 for the year ended 30 June 2021. As at this date, current assets exceeded current liabilities by \$9,308,849. In addition, the Department of Transport and Main Roads has provided a letter of financial support.

#### (c) Rounding of amounts

The financial report is presented in Australian Dollars and the company is of a kind referred to in ASIC Legislative Instrument 2016/191. Amounts in the financial statements and Directors' Report have been rounded to the nearest dollar.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### 1 Summary of Significant Accounting Policies (continued)

#### (d) Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Estimates and assumptions with the most significant effect on the financial statements are outlined in the following notes:

- ◆ Plant and equipment Note 1(i) and Note 10;
- ♦ Intangible assets Note 1(j) and Note 12;
- ♦ Depreciation and amortisation Note 1(i), Note 1(j), Note 10, Note 11 and Note 12;
- ♦ Accrued employee benefits Note 1(p) and Note 14; and
- Trade receivables Note 1(k) and Note 8
- Revenue from contracts with customers Note 1(g) and Note 2

#### (e) New, revised or amended Accounting Standards and Interpretations

No new accounting standards applicable for the first time in 2020-21 had a material impact on the company.

#### (f) Income tax

Income tax on the statement of comprehensive income for the year comprises current and deferred taxes. Income tax will be recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it will be recognised in the statement of changes in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at reporting date, and any adjustments to tax payable in respect of previous years.

Deferred income tax is provided in full using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred tax asset will be recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets will be reduced to the extent it is no longer probable that the related tax benefit will be realised.

The company is beneficially owned by the State of Queensland and has been subject to the National Taxation Equivalents Regime (NTER) from 1 July 2003. The liability to taxation under the NTER is calculated substantially on the basis of the *Income Tax Assessment Act 1936* (as amended) and the *Income Tax Assessment Act 1997* (ITAA). Accordingly, the company is exempt from Federal taxation pursuant to Section 24AM of the ITAA.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### 1 Summary of Significant Accounting Policies (continued)

#### (g) Revenue

Transmax is a supplier of customised Intelligent Transport System (ITS) solutions through its ITS platform, STREAMS. Transmax works with its customers to develop solutions that meet customers' transport network management needs. Transmax offers customers systems engineering, software design and development, along with a range of consulting and support services throughout the entire ITS lifecycle.

STREAMS is a complete, integrated ITS solution supporting a comprehensive range of services and infrastructure, making it possible to run traffic signalling, incident response, motorway management and other traffic services from a single system.

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which Transmax expects to be entitled in exchange for those goods or services.

#### **Engineering and software services**

Engineering and software services include revenues from software development, software assurance, technical support and consulting. These contracts are typically fixed price. Revenue is recognised over the period the performance obligation is satisfied, using the input method that best depicts the pattern of the transfer of control over time.

#### **Equipment and licence revenue**

Revenue from the sale of equipment and third-party licences is recognised at a point in time when the control of the equipment and third-party licences is transferred to the customer, generally on delivery of the equipment and third-party licences.

#### Unearned revenue

Unearned revenue is made up of the following three components:

- <u>1. Time and material projects:</u> When amounts billed to a customer are more than the retail hours worked, it is included in unearned revenue.
- <u>2. Fixed price projects:</u> When the amounts billed to a customer is more than the earned value to date, the difference is taken to unearned revenue.
- <u>3. Unearned grant income:</u> The value of grant income related to research and development expenses capitalised.

#### **Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which Transmax has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before Transmax transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when Transmax performs under the contract.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### 1 Summary of Significant Accounting Policies (continued)

#### (h) Cash and cash equivalents

For the purposes of the Statement of Financial Position and Statement of Cash Flows, 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.

#### (i) Plant and Equipment

#### Acquisition of assets

Items of plant and equipment are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

#### Items of recognition

Plant and equipment are stated at cost less accumulated depreciation and impairment.

#### Depreciation

All assets have limited useful lives and are depreciated using the straight line method over their estimated useful lives.

Depreciation rate methods are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only.

The depreciable amount of improvements to the leasehold building is allocated over the estimated useful life of the improvements or the unexpired period of the lease, whichever is shorter. The unexpired period of the lease includes any option period where the exercise of the option is probable. The residual value of all plant and equipment is zero.

For each class of depreciable plant and equipment the following periods are used as the estimated useful life:

Class Useful life
Plant and Equipment 2-10 years
Leasehold improvements 7 years

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### 1 Summary of Significant Accounting Policies (continued)

#### (i) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and impairment losses.

Intangible assets are tested annually for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. No impairment has been recognised for 2021 (30 June 2020: \$176,852).

#### **Trademarks**

Transmax has trademarks in both Australia and internationally. The fees for these have been capitalised as management believe there is probable future economic benefit attributable to trademarks. The approved trademarks have been amortised throughout the year.

#### Internally-developed software

Expenditure on research phase of projects to develop new customised software is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the recognition requirements as per AASB 138 *Intangible Assets*.

The cost of an internally-generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

#### Work in progress intangibles

Work in progress intangibles include only those costs directly attributable to the development phase and are recognised following completion of technical feasibility. When the intangible asset is ready and in use it is transferred to internally developed software.

#### Amortisation

All intangible assets are amortised using the straight-line method over their useful lives. The residual value of all intangible assets is zero.

For each class of intangible assets the following periods are used as the estimated useful life:

Intangible asset	Useful life
Trademarks	10 years
Internally-developed software	5-7 years
Intangibles - Work in progress	Not amortised
Other intangibles - software	2 years

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### 1 Summary of Significant Accounting Policies (continued)

#### (k) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days from the invoice date and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. Transmax holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.

#### Impairment of trade receivables and contract assets

Transmax applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

A provision matrix is used to assess the historical trend of its receivables to calculate historical loss rates, which are adjusted for forward-looking information. For 2020-21, no additional allowance has been recognised as the impact of this provision is immaterial.

#### (I) Inventories

Raw materials and stores, work in progress and finished goods are valued at the lower of cost and net realisable value. Costs are assigned to individual items of stock on the weighted average cost formula and include expenditure incurred in acquiring the inventories and bringing them to their existing condition and location.

#### (m) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the company. Trade creditors are normally settled within 30 days.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### 1 Summary of Significant Accounting Policies (continued)

#### (n) Leases

From 1 July 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by Transmax.

Assets and liabilities arising from a lease are initially measured on a present value basis.

#### Lease liabilities

Lease liabilities include the net present value of the following lease payments:

- ♦ Fixed payments (including in-substance fixed repayments), less any lease incentives receivable;
- ♦ Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the entity under residual value guarantees;
- ♦ The exercise price of a purchase option if the entity is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the entity exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases that relate to building premises, Transmax's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, Transmax uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received, making adjustments specific to the lease (e.g. term, country, currency and security).

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

#### Right of use assets

Right of use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### 1 Summary of Significant Accounting Policies (continued)

#### (o) Goods and services tax

Revenues, expenses, and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO, is included as a current asset or current liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO, are classified as operating cash flows.

#### (p) Employee benefits

Provision is made for the Transmax liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. These cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

#### (q) Contract asset

Contract asset for fixed price projects is calculated as revenue taken less billed to date. Revenue taken is calculated based on percentage of completion of the contract value. Cost to completion is reforecast monthly. Time and material project work in progress (WIP) is the retail value of the hours worked and not yet billed. Fixed price and time and material WIP is reviewed monthly for impairment. WIP includes a provision for potential under recovery.

		2021	2020
		\$	\$
2	Revenue		
	Engineering and software services revenue	24,077,475	18,907,244
	Equipment and licence revenue	1,816,837	3,622,946
	Total	25,894,312	22,530,190
3	Other income		
	Interest income	5,874	20,557
	Grant income	190,768	760,909
	Profit on disposal of assets	-	11,620
	Total	196,642	793,086
4	Employee benefit expenses		
	Wages and salaries	12,367,580	13,307,709
	Superannuation	1,458,300	1,536,879
	Payroll tax	665,631	810,779
	Workers compensation	22,479	24,334
	Fringe benefit tax	44,659	2,529
	Contractor labour	117,483	2,357
	Redundancy expenses	454,908	-
	Movement of annual leave	54,661	260,433
	Movement of long service leave	82,416	236,414
	Total	15,268,117	16,181,434
	Employees (full-time equivalent)	114	123

		2021	2020
		\$	\$
5	Raw materials and consumables		
	Engineering and software services expenses	1,371,383	1,353,988
	Equipment and licence expenses	1,534,385	1,050,736
	Total	2,905,768	2,404,724
6	Other expenses		
	Administration expenses	1,229,140	1,380,172
	IT expenses	786,323	796,805
	Property and tenancy expenses	219,371	176,871
	Accounting and tax fees	34,897	94,284
	Audit fees*	24,964	64,930
	Foreign currency loss	11,600	19,215
	Total	2,306,295	2,532,277

<sup>\*</sup> External audit fees to Queensland Audit Office for FY 2021 \$65,000

Income tax expense/(benefit)   (a) Income tax expense/(benefit)			2021	2020
(a) Income tax expense/(benefit)         280,944         98,190           Deferred tax expense/(benefit) relating to origination and reversal of temporary differences         174,275         (18,058)           Total income tax expense/(benefit) attributable to profit         455,219         80,132           (b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable         2,390,659         (132,317)           Tax at the rate of 26% (2020: 27.5%)         621,571         (36,387)           Tax at the rate of 26% (2020: 27.5%)         621,571         (36,387)           Tax at great and development expenditure         (49,600)         (209,250)           Research and development tax offset         (729,365)         -           Non-deductible expenses         2,032         7,647           Adjustment to tax rate on opening deferred tax balances         14,125         -           Tax adjustments for prior periods         596,456         318,122           Income tax expense/(benefit)         455,219         80,132           (c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:         1,192,690         1,447,871           Adjustment to opening balance due to adoption of AASB15         -         -           Increase/(decrease) in deferred tax assets         133,634         (255,181)	_		\$	\$
Current tax expense         280,944         98,190           Deferred tax expense/(benefit) relating to origination and reversal of temporary differences         174,275         (18,058)           Total income tax expense/(benefit) attributable to profit         455,219         80,132           (b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable         2,390,659         (132,317)           Tax at the rate of 26% (2020: 27.5%)         621,571         (36,387)           Tax effect amounts which are not deductible (taxable) in calculating taxable income         -         -           Research and development expenditure         (49,600)         (209,250)           Research and development tax offset         (729,365)         -           Non-deductible expenses         2,032         7,647           Adjustment to tax rate on opening deferred tax balances         14,125         -           Tax adjustments for prior periods         596,456         318,122           Income tax expense/(benefit)         455,219         80,132           (c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:         1,192,690         1,447,871           Adjustment to opening balance due to adoption of AASB15         -         -         -           Increase/(decrease) in deferred tax assets         133,634	7	• • • •		
Deferred tax expense/(benefit) relating to origination and reversal of temporary differences  Total income tax expense/(benefit) attributable to profit  (b) Numerical reconciliation of income tax expense/(benefit) to prima facle tax payable  Profit/(loss) from continuing operations before income tax expense  Profit/(loss) from continuing operations before income tax expense  2,390,659  (132,317)  Tax at the rate of 26% (2020: 27.5%)  Tax effect amounts which are not deductible (taxable) in calculating taxable income  Research and development expenditure  (49,600)  Research and development tax offset  (729,365)  Non-deductible expenses  2,032  7,647  Adjustment to tax rate on opening deferred tax balances  14,125  Tax adjustments for prior periods  596,456  318,122  Income tax expense/(benefit)  (c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:  Deferred tax assets opening balance  1,192,690  1,447,871  Adjustment to topening belance due to adoption of AASB15  Increase/(decrease) in deferred tax assets  133,634  (255,181)  Adjustment relating to prior year  Deferred tax liability opening balance  729,943  1,003,191  Increase/(decrease) in deferred tax liability  Adjustment relating to prior year  219,923		(a) Income tax expense/(benefit)		
temporary differences Total income tax expense/(benefit) attributable to profit  (b) Numerical reconcilitation of income tax expense/(benefit) to prima facie tax payable  Profit/(loss) from continuing operations before income tax expense 2,390,659 (132,317)  Tax at the rate of 26% (2020: 27.5%) 621,571 (36,387)  Tax effect amounts which are not deductible (taxable) in calculating taxable income		Current tax expense	280,944	98,190
Total income tax expense/(benefit) attributable to profit  (b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable  Profit/(loss) from continuing operations before income tax expense 2,390,659 (132,317)  Tax at the rate of 26% (2020: 27.5%) 621,571 (36,387)  Tax effect amounts which are not deductible (taxable) in calculating taxable income (49,600) (209,250)  Research and development expenditure (49,600) (209,250)  Research and development tax offset (729,365) 7,647  Adjustment to tax rate on opening deferred tax balances 14,125 - Tax adjustments for prior periods 596,456 318,122  Income tax expense/(benefit) 455,219 80,132  (c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:  Deferred tax assets opening balance 1,192,690 1,447,871  Adjustment to opening balance due to adoption of AASB15		Deferred tax expense/(benefit) relating to origination and reversal of	174,275	(18,058)
(b) Numerical reconciliation of income tax expense/(benefit) to prima facie tax payable Profit/(loss) from continuing operations before income tax expense 2,390,659 (132,317) Tax at the rate of 26% (2020: 27.5%) 621,571 (36,387) Tax effect amounts which are not deductible (taxable) in calculating taxable income		temporary differences		
prima facie tax payable         2,390,659         (132,317)           Tax at the rate of 26% (2020: 27.5%)         621,571         (36,387)           Tax effect amounts which are not deductible (taxable) in calculating taxable income         -         -           Research and development expenditure         (49,600)         (209,250)           Research and development tax offset         (729,365)         -           Non-deductible expenses         2,032         7,647           Adjustment to tax rate on opening deferred tax balances         14,125         -           Tax adjustments for prior periods         596,456         318,122           Income tax expense/(benefit)         455,219         80,132           (c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:         1,192,690         1,447,871           Adjustment to opening balance         1,192,690         1,447,871           Adjustment relating to prior year         (252,701)         -           Deferred tax assets at 30 June         1,073,623         1,192,690           Deferred tax liability opening balance         729,943         1,003,191           Increase/(decrease) in deferred tax liability         (302,671)         (493,171)           Adjustment relating to prior year         357,878         219,923		Total income tax expense/(benefit) attributable to profit	455,219	80,132
Profit/(loss) from continuing operations before income tax expense         2,390,659         (132,317)           Tax at the rate of 26% (2020: 27.5%)         621,571         (36,387)           Tax effect amounts which are not deductible (taxable) in calculating taxable income         -         -           Research and development expenditure         (49,600)         (209,250)           Research and development tax offset         (729,365)         -           Non-deductible expenses         2,032         7,647           Adjustment to tax rate on opening deferred tax balances         14,125         -           Tax adjustments for prior periods         596,456         318,122           Income tax expense/(benefit)         455,219         80,132           (c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:         1,192,690         1,447,871           Adjustment to opening balance         1,192,690         1,447,871           Adjustment relating to prior year         (255,181)         -           Deferred tax assets at 30 June         1,073,623         1,192,690           Deferred tax liability opening balance         729,943         1,003,191           Increase/(decrease) in deferred tax liability         (302,671)         (493,171)           Adjustment relating to prior year         357,8		(b) Numerical reconciliation of income tax expense/(benefit) to		
Tax at the rate of 26% (2020: 27.5%)       621,571       (36,387)         Tax effect amounts which are not deductible (taxable) in calculating taxable income       -       -         Research and development expenditure       (49,600)       (209,250)         Research and development tax offset       (729,365)       -         Non-deductible expenses       2,032       7,647         Adjustment to tax rate on opening deferred tax balances       14,125       -         Tax adjustments for prior periods       596,456       318,122         Income tax expense/(benefit)       455,219       80,132         (c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:       1,192,690       1,447,871         Adjustment to opening balance       1,192,690       1,447,871       1,47,871         Adjustment relating to prior year       (252,701)       -       -         Deferred tax assets at 30 June       1,073,623       1,192,690         Deferred tax liability opening balance       729,943       1,003,191         Increase/(decrease) in deferred tax liability       (302,671)       (493,171)         Adjustment relating to prior year       357,878       219,923		prima facie tax payable		
Tax effect amounts which are not deductible (taxable) in calculating taxable income  Research and development expenditure  Research and development tax offset  Non-deductible expenses  Non-deductible expenses  Adjustment to tax rate on opening deferred tax balances  Tax adjustments for prior periods  14,125  Income tax expense/(benefit)  (c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:  Deferred tax assets opening balance  1,192,690  1,447,871  Adjustment to opening balance due to adoption of AASB15  Increase/(decrease) in deferred tax assets  133,634  (255,181)  Adjustment relating to prior year  Deferred tax assets at 30 June  1,073,623  1,192,690  Deferred tax liability opening balance  729,943  1,003,191  Increase/(decrease) in deferred tax liability  Adjustment relating to prior year  357,878  219,923		Profit/(loss) from continuing operations before income tax expense	2,390,659	(132,317)
calculating taxable income         - </td <td></td> <td>Tax at the rate of 26% (2020: 27.5%)</td> <td>621,571</td> <td>(36,387)</td>		Tax at the rate of 26% (2020: 27.5%)	621,571	(36,387)
Research and development expenditure       (49,600)       (209,250)         Research and development tax offset       (729,365)       -         Non-deductible expenses       2,032       7,647         Adjustment to tax rate on opening deferred tax balances       14,125       -         Tax adjustments for prior periods       596,456       318,122         Income tax expense/(benefit)       455,219       80,132         (c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:       1,192,690       1,447,871         Adjustment to opening balance       1,192,690       1,447,871         Adjustment to opening balance due to adoption of AASB15       -       -         Increase/(decrease) in deferred tax assets       133,634       (255,181)         Adjustment relating to prior year       (252,701)       -         Deferred tax liability opening balance       729,943       1,003,191         Increase/(decrease) in deferred tax liability       (302,671)       (493,171)         Adjustment relating to prior year       357,878       219,923		Tax effect amounts which are not deductible (taxable) in		
Research and development tax offset       (729,365)       -         Non-deductible expenses       2,032       7,647         Adjustment to tax rate on opening deferred tax balances       14,125       -         Tax adjustments for prior periods       596,456       318,122         Income tax expense/(benefit)       455,219       80,132         (c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:       1,192,690       1,447,871         Adjustment to opening balance       1,192,690       1,447,871         Adjustment to opening balance due to adoption of AASB15       -       -         Increase/(decrease) in deferred tax assets       133,634       (255,181)         Adjustment relating to prior year       (252,701)       -         Deferred tax liability opening balance       729,943       1,003,191         Increase/(decrease) in deferred tax liability       (302,671)       (493,171)         Adjustment relating to prior year       357,878       219,923		calculating taxable income	-	-
Non-deductible expenses         2,032         7,647           Adjustment to tax rate on opening deferred tax balances         14,125         -           Tax adjustments for prior periods         596,456         318,122           Income tax expense/(benefit)         455,219         80,132           (c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:         -         -           Deferred tax assets opening balance         1,192,690         1,447,871           Adjustment to opening balance due to adoption of AASB15         -         -           Increase/(decrease) in deferred tax assets         133,634         (255,181)           Adjustment relating to prior year         (252,701)         -           Deferred tax assets at 30 June         1,073,623         1,192,690           Deferred tax liability opening balance         729,943         1,003,191           Increase/(decrease) in deferred tax liability         (302,671)         (493,171)           Adjustment relating to prior year         357,878         219,923		Research and development expenditure	(49,600)	(209,250)
Adjustment to tax rate on opening deferred tax balances Tax adjustments for prior periods  596,456 318,122  Income tax expense/(benefit)  (c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:  Deferred tax assets opening balance  1,192,690 1,447,871 Adjustment to opening balance due to adoption of AASB15		Research and development tax offset	(729,365)	-
Tax adjustments for prior periods  596,456  318,122  Income tax expense/(benefit)  (c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:  Deferred tax assets opening balance  1,192,690  1,447,871  Adjustment to opening balance due to adoption of AASB15  Increase/(decrease) in deferred tax assets  133,634  (255,181)  Adjustment relating to prior year  (252,701)  Deferred tax assets at 30 June  1,073,623  1,192,690  Deferred tax liability opening balance  729,943  1,003,191  Increase/(decrease) in deferred tax liability  Adjustment relating to prior year  357,878  219,923		Non-deductible expenses	2,032	7,647
Income tax expense/(benefit)  (c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:  Deferred tax assets opening balance  1,192,690  1,447,871  Adjustment to opening balance due to adoption of AASB15  Increase/(decrease) in deferred tax assets  133,634  (255,181)  Adjustment relating to prior year  (252,701)  Deferred tax assets at 30 June  1,073,623  1,192,690  Deferred tax liability opening balance  729,943  1,003,191  Increase/(decrease) in deferred tax liability  (302,671)  (493,171)  Adjustment relating to prior year  357,878  219,923		Adjustment to tax rate on opening deferred tax balances	14,125	-
(c) Deferred tax equivalent expense/(benefit) included in income tax equivalent expense comprises:  Deferred tax assets opening balance Adjustment to opening balance due to adoption of AASB15 Increase/(decrease) in deferred tax assets Adjustment relating to prior year (252,701) Deferred tax assets at 30 June  Deferred tax liability opening balance Increase/(decrease) in deferred tax liability (302,671) Adjustment relating to prior year 357,878 219,923		Tax adjustments for prior periods	596,456	318,122
tax equivalent expense comprises:  Deferred tax assets opening balance 1,192,690 1,447,871  Adjustment to opening balance due to adoption of AASB15  Increase/(decrease) in deferred tax assets 133,634 (255,181)  Adjustment relating to prior year (252,701) -  Deferred tax assets at 30 June 1,073,623 1,192,690  Deferred tax liability opening balance 729,943 1,003,191  Increase/(decrease) in deferred tax liability (302,671) (493,171)  Adjustment relating to prior year 357,878 219,923		Income tax expense/(benefit)	455,219	80,132
Deferred tax assets opening balance  Adjustment to opening balance due to adoption of AASB15  Increase/(decrease) in deferred tax assets  Adjustment relating to prior year  Deferred tax assets at 30 June  Deferred tax liability opening balance  Tay,943  Increase/(decrease) in deferred tax liability  Adjustment relating to prior year  357,878  1,192,690  1,447,871		(c) Deferred tax equivalent expense/(benefit) included in income		
Adjustment to opening balance due to adoption of AASB15  Increase/(decrease) in deferred tax assets  Adjustment relating to prior year  Deferred tax assets at 30 June  Deferred tax liability opening balance Increase/(decrease) in deferred tax liability  Adjustment relating to prior year  357,878  219,923		tax equivalent expense comprises:		
Increase/(decrease) in deferred tax assets  Adjustment relating to prior year  Deferred tax assets at 30 June  Deferred tax liability opening balance Increase/(decrease) in deferred tax liability  Adjustment relating to prior year  133,634 (255,181)  - 1,073,623 1,192,690  729,943 1,003,191 Increase/(decrease) in deferred tax liability (302,671) (493,171) Adjustment relating to prior year 357,878 219,923		Deferred tax assets opening balance	1,192,690	1,447,871
Adjustment relating to prior year (252,701) - Deferred tax assets at 30 June 1,073,623 1,192,690  Deferred tax liability opening balance 729,943 1,003,191 Increase/(decrease) in deferred tax liability (302,671) (493,171) Adjustment relating to prior year 357,878 219,923		Adjustment to opening balance due to adoption of AASB15	-	-
Deferred tax assets at 30 June       1,073,623       1,192,690         Deferred tax liability opening balance       729,943       1,003,191         Increase/(decrease) in deferred tax liability       (302,671)       (493,171)         Adjustment relating to prior year       357,878       219,923		Increase/(decrease) in deferred tax assets	133,634	(255,181)
Deferred tax liability opening balance 729,943 1,003,191 Increase/(decrease) in deferred tax liability (302,671) (493,171) Adjustment relating to prior year 357,878 219,923		Adjustment relating to prior year	(252,701)	-
Increase/(decrease) in deferred tax liability (302,671) (493,171)  Adjustment relating to prior year 357,878 219,923		Deferred tax assets at 30 June	1,073,623	1,192,690
Adjustment relating to prior year 357,878 219,923		Deferred tax liability opening balance	729,943	1,003,191
		Increase/(decrease) in deferred tax liability	(302,671)	(493,171)
Deferred tax liability at 30 June 785,150 729,943		Adjustment relating to prior year	357,878	219,923
		Deferred tax liability at 30 June	785,150	729,943

		2021	2020
		\$	\$
7	Income tax expense/(benefit) (continued)		
	(d) Proof of deferred tax assets		
	Revenue received in advance	248,768	186,362
	Trademarks	13,603	12,423
	Employee benefits	585,872	576,095
	Accrued expenses & provisions	62,755	73,943
	Lease timing adjustments	162,625	145,395
	Tax value of loss carry-forwards recognised	-	198,472
	Net deferred tax assets at 30 June	1,073,623	1,192,690
	(e) Proof of deferred tax liabilities		
	Property, plant and equipment	154,642	99,381
	Work in progress	312,093	235,807
	Intellectual property	318,415	394,755
	Net deferred tax liabilities at 30 June	785,150	729,943
	(f) Reconciliation of current tax liability/(asset)		
	Opening balance	(590,348)	(205,948)
	Payments in current year relating to prior year	-	-
	Refunds in the current year relating to the prior year	590,348	205,948
	Current year instalments	-	-
	Under/(Over) provision for tax in prior year		(590,348)
	Provision for tax current year	280,944	-
	Closing balance	280,944	(590,348)

		2021	2020
		\$	\$
8	Trade and other receivables		
	Trade receivable	3,396,723	3,105,244
	Total	3,396,723	3,105,244
9	Contract assets		
	Time and material projects	138,536	269,950
	Fixed price projects	1,061,727	587,530
	Total	1,200,263	857,480
10	Property, plant & equipment		
	Plant and equipment		
	At Cost	2,557,862	2,759,799
	Less: accumulated depreciation	(1,896,266)	(2,155,782)
	Total property, plant & equipment	661,596	604,017
	Reconciliation		
	The reconciliation of the carrying amount for plant and equipment is set o	ut below:	
	Opening net book amount	604,017	661,599
	Additions	461,963	348,682
	Disposals and write-offs	(26,944)	(4,833)
	Depreciation charge	(377,440)	(401,431)
	Closing net book amount	661,596	604,017
	=		

		2021	2020
		\$	\$
11	Leases		
	Right of use assets - buildings		
	Opening balance at 1 July	6,386,659	7,285,800
	Other adjustments	137,322	-
	Depreciation charge	(935,587)	(899,141)
	Closing balance at 30 June	5,588,394	6,386,659
	Lease liabilities		
	Current	899,858	841,903
	Non-current	5,314,015	6,073,466
	Total	6,213,873	6,915,369
	Amounts recognised in profit or loss		
	Interest expense on lease liabilities	101,057	108,803
	Lease repayments	838,818	786,734
	Total cash outflow for leases	939,875	895,537
	Maturity analysis of future lease payments outstanding at the		
	reporting date		
	Future lease payments (undiscounted)		
	Less than 1 year	985,768	938,792
	Between 1 and 5 years	4,238,598	4,044,059
	Over 5 years	1,285,160	2,315,480
	Total future lease payments	6,509,526	7,298,331

12	Intangible assets	Trademarks	Other	Internally	Work in	Total
			intangibles	developed	progress	
				software		
		2021	2021	2021	2021	2021
		\$	\$	\$	\$	\$
	At Cost	71,442	59,300	6,552,872	1,527,315	8,210,929
	Less: Accumulated amortisation	(45,207)	(59,300)	(4,147,572)	-	(4,252,079)
		26,235	-	2,405,300	1,527,315	3,958,850
	Reconciliation	-	-11	111-		
	Opening Balance	33,379	-	2,474,926	1,632,316	4,140,621
	Additions	-	-	-	1,597,692	1,597,692
	Disposals and write-offs	-	-	(114)	(1,012,373)	(1,012,487)
	Transfers - Work in progress	-	-	690,320	(690,320)	-
	Amortisation charge	(7,144)	-	(759,832)	-	(766,976)
	Impairment	-	-	-	-	-
	Closing Balance	26,235	-	2,405,300	1,527,315	3,958,850

12	Intangible assets	Trademarks	Other	Internally	Work in	Total
			intangibles	developed	progress	
				software		
		2020	2020	2020	2020	2020
		\$	\$	\$	\$	\$
	At Cost	71,442	108,302	6,007,425	1,632,316	7,819,485
	Less: Accumulated amortisation	(38,063)	(108,302)	(3,532,499)	-	(3,678,864)
		33,379	-	2,474,926	1,632,316	4,140,621
	Reconciliation			111-		
	Opening Balance	40,524	10,208	3,976,240	-	4,026,972
	Additions	-	-	33,616	1,003,036	1,036,652
	Disposals and write-offs	-	-	-	-	-
	Transfers - Work in progress	-	-	(806,132)	806,132	-
	Amortisation charge	(7,145)	(10,208)	(728,798)	-	(746,151)
	Impairment	-	-	-	(176,852)	(176,852)
	Closing Balance	33,379	-	2,474,926	1,632,316	4,140,621

	2021	2020
	\$	\$
13 Trade and other payables		
Trade payables	1,270,394	1,134,404
Accrued expenses	113,253	80,450
GST payable	485,514	148,875
Other payables	60,000	60,000
Total	1,929,161	1,423,729
14 Accrued employee benefits		
CURRENT		
Accrued employee benefits	2,041,206	1,914,465
Wages and salaries	483,792	602,905
Total	2,524,998	2,517,370
NON CURRENT		
Accrued employee benefits	212,147	180,427
Total	212,147	180,427
15 Contributed equity		
Ordinary shares - issued and fully paid	5,601,061	5,601,061
Special (control) shares - issued fully paid	1	1
Total	5,601,062	5,601,062
16 Retained profits		
Retained profits at beginning of year	6,755,237	6,967,686
Net profit/(loss)	1,935,440	(212,449)
Retained profits at end of year	8,690,677	6,755,237

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### 17 Financial risk management

#### (a) Risk management of objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are credit risk and interest rate risk. The Company's management, in close cooperation with the Board of Directors, focuses to ensure the short to medium-term cash flows are secured by minimising the exposure to financially risky activities. The most significant financial risks applicable to the Company are described below.

#### (b) Credit risk exposure

Credit risk exposure represents the extent of credit related losses that the entity may be subject to on amounts to be exchanged under trade debtors and loans and advances from financial assets.

The maximum exposure to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets net of any allowance for impairments as indicated in the statement of financial position.

#### (c) Interest rate risk

	2021	2020	
	\$	\$	
Cash at bank	11,050,882	7,685,309	
Interest rate	0.1%-0.6%	0.1%-2.5%	

#### (d) Fair value measurements

Financial assets and liabilities are as follows:

- trade and other receivables
- cash and cash equivalents
- trade and other payables

The carrying amounts of these financial assets and liabilities are considered to be a reasonable approximation of fair value.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

#### (e) Liquidity risk

Liquidity risk refers to the ability of an entity to meet its obligations associated with financial liabilities. The Company manages liquidity risk by continuous monitoring of cashflow. The Company reduces the exposure to liquidity risk by ensuring the company has sufficient funds available to meet employee and supplier obligations at all times. This is achieved by ensuring that minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

#### 18 Contingent liabilities and contingent assets

In the opinion of the Directors, the Company did not have any contingent assets or liabilities at 30 June 2021 (30 June 2020: Nil)

#### 19 Commitments

#### **Capital Commitments**

At 30 June 2021 Transmax had capital commitments totalling \$82,723 (30 June 2020: \$42,568)

#### 20 Economic dependency

The Company is dependent on the Queensland Department of Transport and Main Roads for the majority of its revenue used for operations. At the date of this report, the Company has no reason to believe the dependence is at risk or likely to change significantly.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

## 21 Key management personnel disclosures

	2021	2020
	\$	\$
Kathryn Giudes and John Frazer were paid as Non-Executive		
Directors of Transmax. Nikki Allder was paid as CEO of Transmax.		
Key management personnel compensation		
Short-term employee benefits	424,494	415,167
Long-term benefits	-	633
Post-employment benefits	35,278	35,485
Termination benefits	-	-
Total	459,772	451,285

## 22 Subsequent events

There have been no events subsequent to the financial position date.

## 23 Transactions with related parties

As at 30 June 2021, financial statement items included the following amounts in relation to Queensland Department of Transport and Main Roads (the parent entity):

	2021	2020
	\$	\$
Sales and purchases transactions		
Sale of goods and services (exclusive of GST)	15,545,909	15,104,767
Outstanding balances arising from sales/purchases of		
goods and services		
Amounts receivable from related parties	2,972,336	2,642,539
Equity		
Contributed equity	5,601,062	5,601,062

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

# 24 Reconciliation of profit after income tax to net cash used in operating activities

	2021	2020
	\$	\$
Profit/(loss) after income tax	1,935,440	(212,449)
Add adjustments for non-cash items:		
- depreciation	1,313,027	1,300,572
- amortisation	766,976	746,151
- finance costs	101,057	108,803
- other gains/(losses)	26,943	(11,620)
- impairment	-	176,852
- write-off of intangible assets	1,012,488	-
	5,155,931	2,108,309
Change in assets and liabilities		
- (increase)/decrease in work in progress	(342,783)	1,139,544
- (increase)/decrease in prepayments	(70,407)	29,918
- (increase)/decrease in trade and other receivables	(291,478)	157,480
- (increase)/decrease in inventories	161,117	(18,426)
- (increase)/decrease in deferred tax assets	119,067	255,182
- increase/(decrease) in trade and other payables	195,534	404,056
- increase/(decrease) in contract liabilities	-	(427,286)
- increase/(decrease) in accrued employee benefits	39,348	363,123
- increase/(decrease) in deferred tax liabilities	55,207	(273,249)
- increase/(decrease) in GST liabilities	336,639	(277,830)
- increase/(decrease) in unearned revenue	135,635	(217,162)
- increase/(decrease) in current tax liability	871,293	(384,400)
Cashflow from operations	6,365,103	2,859,259

## 25 Company details

The business address and registered office of Transmax Pty Ltd is: 143 Coronation Drive, Milton, QLD, 4064, Australia

#### **DIRECTORS' DECLARATION**

In the opinion of the directors of Transmax Pty Ltd:

- (a) The financial statements and notes set out on pages 40 to 64 are in accordance with the *Corporations Act 2001*, including:
  - (i) complying with Australian Accounting Standards, the *Corporations Regulations 2001*, and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the financial position of the company as at 30 June 2021 and of its performance, for the financial year ended on that date, and
- (b) There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors.

Kathryn Giudes John Frazer

Chair - Non-Executive Director: Non-Executive Director:

Figh John Juga

Date: 16 September 2021 Date: 16 September 2021



#### INDEPENDENT AUDITOR'S REPORT

To the Members of Transmax Pty Ltd

#### Report on the audit of the financial report

#### **Opinion**

I have audited the accompanying financial report of Transmax Pty Ltd.

In my opinion, the financial report:

- gives a true and fair view of the company's financial position as at 30 June 2021, and its financial performance and cash flows for the year then ended
- b) complies with the *Corporations Act 2001*, the *Corporations Regulations 2001* and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the Auditor-General Auditing Standards. I am also independent of the company in accordance with the auditor independence requirements of the Corporations Act 2001, and 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other information

Other information comprises financial and non-financial information (other than the audited financial report).

Those charged with governance are responsible for the other information.

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



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

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

#### Responsibilities of the company for the financial report

The company's directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Corporations Act 2001*, the *Corporations Regulations 2001* and Australian Accounting Standards, and for such internal control as the company's directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company's directors are also responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial report

My 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 my 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit
  procedures that are appropriate in the circumstances, but not for expressing an opinion
  on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the company.



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

I communicate with the company's directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

21 September 2021

Vaughan Stemmett as delegate of the Auditor-General

Queensland Audit Office Brisbane



## **TRANSMAX**

+ 61 7 3355 8700

info@transmax.com.au

Transmax Pty Ltd Level 5 / 143 Coronation Dve Milton QLD 4064 Australia

www.transmax.com.au